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(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ...  
PUBLIC HEARING - COMMITTEE RECORDS

2011-12

(session year)

Senate

(Assembly, Senate or Joint)

Committee on ... Labor, Public Safety, and Urban  
Affairs (SC-LPSUA)

**COMMITTEE NOTICES ...**

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

**INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL**

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)  
(**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)  
(**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

\* Contents organized for archiving by: Mike Barman (LRB) (July/2012)

## Senate

### Record of Committee Proceedings

#### **Committee on Labor, Public Safety, and Urban Affairs**

##### **Senate Bill 352**

Relating to: participation in certain training by unemployment insurance claimants, granting rule-making authority, and making an appropriation.

By Senators Wanggaard, Galloway, Holperin, Lassa, Moulton, Schultz and Carpenter; cosponsored by Representatives Honadel, Kuglitsch, Petersen, Krug, Sinicki, Jacque, Bernier, Petrowski, Wynn, Knodl, Tauchen, Petryk, Litjens, Klenke, Mursau, Brooks, Steineke, A. Ott, Marklein, Spanbauer, Strachota, Staskunas, Toles, Bies, Zepnick and Endsley.

December 27, 2011 Referred to Committee on Labor, Public Safety, and Urban Affairs.

January 10, 2012 **PUBLIC HEARING HELD**

Present: (5) Senators Wanggaard, Grothman, Lazich, Wirch and King.

Absent: (0) None.

Excused: (0) None.

##### Appearances For

- Van Wanggaard — Senator
- Mark Honadel — Representative
- Connie Schulze — Department of Workforce Development
- Ben Peirce — Department of Workforce Development
- Brian Dake, Madison — Wisconsin Independent Businesses

##### Appearances Against

- None.

##### Appearances for Information Only

- None.

##### Registrations For

- Tim Carpenter — Senator
- Rebecca Hogan, Madison — Wisconsin Manufacturers and Commerce
- Bob Welch — Operating Engineers Local 139 and Construction Business Group

##### Registrations Against

- Laura Chern, Madison

Registrations for Information Only

- None.

February 1, 2012

**EXECUTIVE SESSION HELD**

Present: (5) Senators Wanggaard, Grothman, Lazich, Wirch  
and King.  
Absent: (0) None.  
Excused: (0) None.

Moved by Senator Wanggaard, seconded by Senator Wirch that  
**Senate Amendment 1** be recommended for adoption.

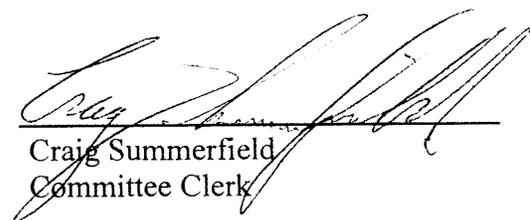
Ayes: (5) Senators Wanggaard, Grothman, Lazich,  
Wirch and King.  
Noes: (0) None.

ADOPTION OF SENATE AMENDMENT 1 RECOMMENDED,  
Ayes 5, Noes 0

Moved by Senator King, seconded by Senator Wirch that **Senate  
Bill 352** be recommended for passage as amended.

Ayes: (5) Senators Wanggaard, Grothman, Lazich,  
Wirch and King.  
Noes: (0) None.

PASSAGE AS AMENDED RECOMMENDED, Ayes 5, Noes 0

  
Craig Summerfield  
Committee Clerk

## Vote Record Committee on Labor, Public Safety, and Urban Affairs

Date: 2/1/2012

Moved by: KWG                      Seconded by: WIRCH

AB \_\_\_\_\_ SB 352                      Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_ SJR \_\_\_\_\_                      Appointment \_\_\_\_\_  
 AR \_\_\_\_\_ SR \_\_\_\_\_                      Other \_\_\_\_\_

A/S Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_  
 A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:  
 Passage       Adoption       Confirmation       Concurrence       Indefinite Postponement  
 Introduction       Rejection       Tabling       Nonconcurrence

Committee Member	Aye	No	Absent	Not Voting
<b>Senator Van Wanggaard, Chair</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Glenn Grothman</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Mary Lazich</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Robert Wirch</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Jessica King</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Totals:</b>	<u>5</u>	<u>0</u>	_____	_____

Motion Carried                       Motion Failed

**Vote Record**  
**Committee on Labor, Public Safety, and Urban Affairs**

Date: 2/1/2012

Moved by: WANGGAARD

Seconded by: WIRCH

AB \_\_\_\_\_

SB 352

Clearinghouse Rule \_\_\_\_\_

AJR \_\_\_\_\_

SJR \_\_\_\_\_

Appointment \_\_\_\_\_

AR \_\_\_\_\_

SR \_\_\_\_\_

Other \_\_\_\_\_

A/S Amdt 1

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_

A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:

- Passage     Adoption     Confirmation     Concurrence     Indefinite Postponement  
 Introduction     Rejection     Tabling     Nonconcurrence

Committee Member

**Senator Van Wanggaard, Chair**

Aye    No    Absent    Not Voting

**Senator Glenn Grothman**

**Senator Mary Lazich**

**Senator Robert Wirch**

**Senator Jessica King**

**Totals:**

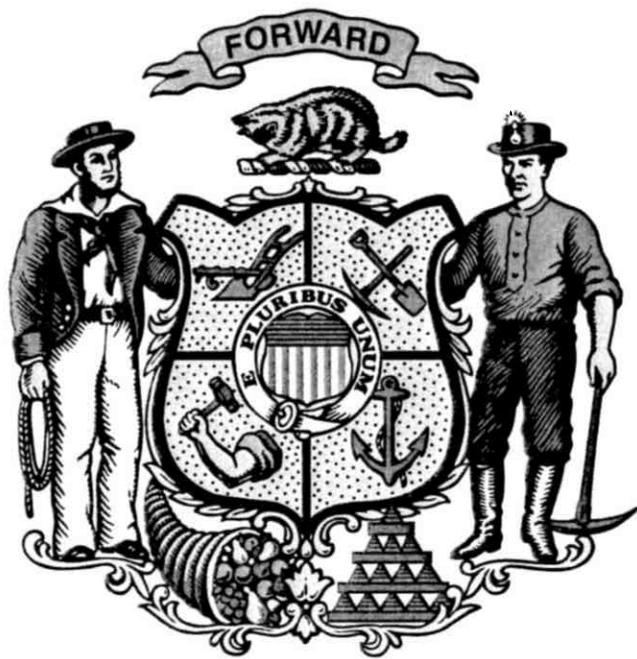
5-0

\_\_\_\_\_

\_\_\_\_\_

Motion Carried

Motion Failed





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## WISCONSIN LEGISLATIVE COUNCIL

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*Terry C. Anderson, Director  
Laura D. Rose, Deputy Director*

TO: SENATOR VAN H. WANGGAARD  
FROM: Margit Kelley, Staff Attorney *MSK*  
RE: Description of Companion Bills 2011 Senate Bill 352 and 2011 Assembly Bill 450  
DATE: January 9, 2012

This memorandum, prepared at your request, describes companion bills 2011 Senate Bill 352 and 2011 Assembly Bill 450.

### **CURRENT LAW**

Under current law, a person who is eligible for unemployment insurance benefits may maintain eligibility for benefits while being enrolled in a vocational training course or a prerequisite basic education course, under certain conditions. The person is not subject to certain benefit denials or reductions while enrolled in the approved training, and may be eligible to receive up to 26 weeks of additional benefits while enrolled in the approved training even if the person has exhausted the unemployment insurance benefits.

### **2011 SENATE BILL 352 AND 2011 ASSEMBLY BILL 450**

The companion bills create a pilot category of "special occupational training," in addition to the approved training for a person enrolled in a vocational training course or a prerequisite basic education course, that allows a person to maintain eligibility for unemployment insurance benefits, under certain conditions.

The special occupational training is provided directly at a worksite of an employer who has applied to the Department of Workforce Development (DWD) for placement by DWD of a person for the training. The employer must have an open job position for each training position, which a successful participant would potentially qualify to fill.

In order for a person to maintain eligibility for unemployment insurance benefits while receiving the special occupational training, each of the following conditions must be met:

- The person must start the training during the first 26 weeks of the person's benefit year, and must receive the training during the person's benefit year.
- The person can have no more than two placements for the special occupational training during the person's benefit year.
- The special occupational training must be for a six-week period, with training between 20 to 24 hours per week.
- The person must continue the regular requirements for claiming unemployment insurance benefits, including searching for work and accepting any offer of suitable work.
- The person cannot otherwise be employed by the employer during the training.

During the special occupational training, DWD must pay the person a stipend of \$75 per week, appropriated from general purpose revenues. Upon the person's successful completion of the training, DWD must issue a training certificate to the person describing the skills received during the training.

For purposes of worker's compensation, the person is considered an employee of the state, and not of the employer providing the training. A person who makes a claim for worker's compensation that arose from the special occupational training cannot make a claim or bring an action in tort against the employer.

DWD may promulgate rules to administer the special occupational training pilot program, and must designate three areas of the state for the pilot program, to be operational roughly six months (180 days) after becoming law.

DWD must report to the Legislature by December 31, 2014, on the training program, evaluating the effectiveness of the program, and providing recommendations for continuation or changes.

The special occupational training pilot program is scheduled to automatically sunset on July 1, 2015.

If you have any questions, please feel free to contact me directly at the Legislative Council staff offices.

MSK:ty



Department of Workforce Development  
Secretary's Office  
201 East Washington Avenue  
P.O. Box 7946  
Madison, WI 53707-7946  
Telephone: (608) 266-3131  
Fax: (608) 266-1784  
Email: [sec@dwd.wisconsin.gov](mailto:sec@dwd.wisconsin.gov)



Scott Walker, Governor  
Reginald J. Newson, Secretary

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Hearing on SB 352 relating to participation in certain training by unemployment insurance claimants, granting rule-making authority, and making an appropriation.

Tuesday, January 10, 2012, 11:35AM  
State Capitol – Room 330 Southwest

Testimony provided by Connie Schulze, Legislative Liaison

Senate Bill 352, otherwise known as Wisconsin Wins, would provide a training mechanism for recipients of unemployment compensation, allowing them to participate in a voluntary six-week placement with an employer. The employee would work up to twenty-four hours per week at the employer and receive an additional \$75 stipend to defray additional costs of employment. The employee would be considered an employee of the State of Wisconsin for worker's compensation purposes and would not be considered an employee of the company that they have been placed at.

The Department of Workforce Development would be responsible for soliciting applications from employers that are interested in participating in this program and would match interested businesses with unemployment insurance recipients who have expressed an interest in participating in this program. The program will initially operate for three years in three workforce development areas designated by the Department of Workforce Development. This program will be available within the entire workforce development area.

This program has been presented to the Unemployment Insurance Advisory Council by Representatives Mark Honadel and Mike Kuglitsch at the September 22, 2011 meeting. At that meeting, the Council voted to unanimously endorse the "concept that Wisconsin Works represents." Additionally, there has been significant interest in this program both by other states, including Georgia, Missouri and New Hampshire.

As it is currently written, this bill does not include an appropriation for the costs of administering the program nor the stipends to be paid to those participating in the program. The Department of Workforce Development is committed to working with the Legislature to find a means to provide funding for this important program without sacrificing other department programs and services.

This legislation represents an innovative model that will provide real-world job experience to those participating in this program. We believe that this program represents a commitment to further the mission of unemployment insurance in providing a means for those who are unemployed to gain the skills necessary to return to work.

The department has some minor suggestions: 1. including language that the stipend received is not considered a wage for the purposes of unemployment taxes to protect employers from liability for unemployment tax contributions and 2. to modify the availability for work requirement to allow the  
SEC-7792-E (R. 10/25/2011) <http://dwd.wisconsin.gov/>

department to designate availability for work for claimants participating in training. Finally, language could be included in Chapter 102 clarifying that participants in this program are considered employees of the state for Worker's Compensation purposes.

Thank you for your attention. I am happy to field questions at this time.



# WISCONSIN STATE LEGISLATURE



# MARK R. HONADEL

STATE REPRESENTATIVE • 21<sup>ST</sup> ASSEMBLY DISTRICT

## TESTIMONY ON SENATE BILL 352

SENATE COMMITTEE ON LABOR, PUBLIC SAFETY, & URBAN AFFAIRS

JANUARY 10, 2012

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Committee members, thank you for giving me the opportunity to testify today in favor of Senate Bill 352.

The bill before you today is important legislation to help unemployed workers in Wisconsin get back to work. Wisconsin has not been immune to the sluggish national economy. With unemployment levels in Wisconsin unacceptably high and the state's unemployment insurance (UI) reserve fund running a deficit, we need to be innovative in not only how we attract job creators, but how we match job seekers with the needs of employers for a skilled workforce.

SB 352 does just that by inserting job seekers directly into the workplace to get the skills they need to acquire full time jobs. This training program is called *Wisconsin Wins* because it's a win-win for both employers and job seekers.

The program works by giving both job seekers and employers a tryout period. Unemployment claimants would be given the opportunity to take unpaid part-time training jobs with interested employers, with the possibility that it will lead to permanent employment. The claimants would continue to receive regular unemployment benefits with an additional stipend of \$75 per week while participating in the voluntary program. A claimant would be eligible to participate during the first 26 weeks (state funded portion of unemployment benefits) of his benefit year and may not receive more than two placements during that time. The bill requires each participant to maintain eligibility for UI benefits.

The training consists of six-week placements for 20 to 24 hours per week with prospective employers. The bill directs DWD to accept applications from employers who wish to offer the training and to place claimants who wish to participate in available openings. An employer must affirm that it currently has one job opening for each training participant in a position that a successful participant would potentially qualify to fill, however, the employer is not obligated to hire the trainee after the training period ends.

(over)

*Working For You!*

The program alleviates some of the uncertainty involved in the hiring process and offers advantages to both employers and the unemployed. Employers can increase the probability of a good hire through a trial period, while reducing the usual risks and costs of hiring new employees. Job seekers benefit by getting an opportunity to receive training and demonstrate their skills for a potential employer, while still receiving unemployment benefits. And at the end of the training period they may be offered full-time employment.

This training offers a new tool to displaced workers who need to change careers or acquire new specific skills, and shows employers which job applicants are eager to learn new skills. Those skills are an asset that can be used elsewhere even if they aren't ultimately hired by the employer who trains them.

*Wisconsin Wins* will begin as a pilot program by directing DWD to designate three areas served by local workforce development boards in which the program shall be offered. Creating the program in this way will allow us to evaluate its effectiveness and make any necessary improvements before recommending that the program be expanded statewide.

Our proposal is modeled after successful, similar training programs in Georgia and New Hampshire. The programs have received bipartisan support in those states as well as positive feedback from both job seekers and employers.

The Wisconsin Unemployment Insurance Advisory Council, made up of employer and employee representatives, supports the concept and stated that such a program would be useful in moving our unemployed workers back into the workforce while providing them new skills. *Wisconsin Wins* may also generate savings for the state's unemployment trust fund by moving claimants back to work more quickly.

Senate Bill 352 and its Assembly companion bill (AB 450) have received bipartisan co-sponsors in both houses. I believe this is because we all recognize the importance of finding practical ways to help open the door to jobs that people so desperately need.

After listening to the testimony before you today, I urge you to join me in supporting Senate Bill 352. Thank You.





**Testimony submitted on Tuesday, January 10, 2012 before the  
Senate Labor, Public Safety and Urban Affairs Committee  
in support of 2011 Senate Bill 352**

Good morning.

Chairman Wanggaard and members of the Senate Labor, Public Safety and Urban Affairs Committee, my name is Brian Dake, Legislative Director for Wisconsin Independent Businesses. On behalf of WIB and its small, independent business members, I am here to testify in support of 2011 Senate Bill 352.

In a recent survey of our members on the subject of Unemployment Insurance, we heard from a surprising number of small, independent business owners who are having difficulty finding skilled workers for open positions. They are offering good-paying jobs, but are finding few takers. Amongst the applicants, they also have concerns about the skills and training of the prospective employees.

The aptly named "Wisconsin Wins" pilot program addresses this problem in a thoughtful and innovative manner. Unemployed workers are given the opportunity to rejoin the workforce on a part-time basis and receive training from willing employers in need of skilled workers. During this trial period, the employer can assess the worker's skills and abilities as well as hire that worker on a full-time permanent basis.

Beyond the benefits afforded to job seekers and employers under this pilot program, "Wisconsin Wins" should also help to reduce the state's ongoing Unemployment Insurance Fund deficit.

In the same survey I referenced earlier, many of our members are quite concerned about the extra state UI taxes they are now paying to close this UI deficit. The sooner we can find good-paying jobs for unemployed workers, the sooner we can reduce this extra tax burden on Wisconsin small employers.

Thank you.





SB 352  
file

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## WISCONSIN LEGISLATIVE COUNCIL

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*Terry C. Anderson, Director  
Laura D. Rose, Deputy Director*

TO: REPRESENTATIVE MARK HONADEL  
FROM: Jessica Karls-Ruplinger, Senior Staff Attorney  
RE: Assembly Amendment 1 to 2011 Assembly Bill 450  
DATE: January 30, 2012

*(IDENTICAL TO WANGBANKO  
AMENDMENT)*

This memorandum, prepared at the request of your office, describes Assembly Amendment 1 to 2011 Assembly Bill 450, relating to participation in certain training by unemployment insurance (UI) claimants, granting rule-making authority, and making an appropriation.

### 2011 Assembly Bill 450

Assembly Bill 450 requires the Department of Workforce Development (DWD) to administer a pilot program that offers special occupational training to UI claimants in three areas of the state, designated by DWD, that are served by local workforce development boards. Under the bill, the pilot program sunsets on July 1, 2015.

Under the program, employers offer special occupational training to UI claimants. For an employer to participate in the program, the employer must affirm that it has one job opening for each training participant that it seeks in a position that a successful participant would potentially qualify to fill. A placement in the program occurs during an individual's UI benefit year. An individual may not receive a placement for any week beginning after the end of the first 26 weeks of the individual's benefit year. An individual may receive no more than two placements in the program during his or her benefit year. Each placement is for a six-week period, with training between 20 and 24 hours per week. An individual must maintain his or her eligibility for UI benefits during the placement and must terminate a placement if necessary to accept any work that the individual is required to accept in order to maintain eligibility for UI benefits.

In addition, DWD must pay a stipend of \$75 per week to each individual who participates in the program. Upon successful completion of each placement, DWD must issue to the individual a training certificate that describes the skills in which the claimant received training.

Further, an individual who participates in the program is considered an employee of the state for purposes of worker's compensation. An individual participating in the program may not make a claim or bring an action in tort against the employer that provided the training from which the claim arose.

Lastly, the bill requires DWD, no later than December 31, 2014, to submit a report to the Legislature that evaluates the effectiveness of the program and provides DWD's recommendations concerning extension of the program or changes to the program that may enhance its effectiveness.

### Assembly Amendment 1

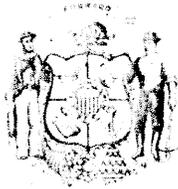
Assembly Amendment 1 makes the following changes to Assembly Bill 450:

- Provides that an individual who participates in the pilot program is considered an employee of the employer that provides the training, rather than as an employee of the state, for purposes of worker's compensation. The amendment also provides that, under the worker's compensation law, in the case of an individual participating in the program, the earnings of an injured individual are the usual going earnings paid for similar services on a normal full-time basis in the same or similar employment in which earnings can be determined under certain methods set out in worker's compensation law.
- Provides that an individual who receives a stipend under the program is not an "employee" for purposes of UI law and that the stipend is not "wages" under UI law.
- Provides that DWD may suspend an individual's obligation to be available for work during those hours in which the individual participates in a placement under the program, but the individual must maintain his or her availability for work during other hours of the work week.
- Provides that an individual has good cause to refuse suitable work if the individual is participating in the program at the time that the individual receives an offer of suitable work and DWD determines that there is a reasonable expectation that the individual will receive an offer of full-time work at the end of the placement.
- Provides that a placement must be for a period *not exceeding six weeks*.
- Provides that an individual may not receive a placement for any *period that includes a week* beginning after the end of the first 26 weeks of the individual's benefit year.
- Allows DWD to decline to accept applications for placements for an employer that has not hired a reasonable percentage of qualified trainees.
- Provides that DWD is not required to pay a stipend to an individual who declines the stipend for the entire period of a placement and notifies DWD, in writing, of the declination.

If you have any questions, please feel free to contact me directly at the Legislative Council staff offices.

JRK:ksm





Date?

# Van H. Wanggaard

Wisconsin State Senator

## Testimony of Senator Van Wanggaard on Senate Bill 352

Thank you Members for the opportunity to testify on this wonderful proposal, Senate Bill 352, otherwise known as Wisconsin Wins.

I've testified before on the problems that unemployed job seekers have when looking for work. The longer you're out of work, the less likely you are to be hired. For some, staying on Unemployment Insurance is better financially than finding work. Industries have dried-up or moved, requiring workers to learn new skills. Connecting people looking for work with those looking to hire is also a problem.

Job creators have similar problems. Too often, they cannot find qualified workers. Even if they find someone qualified they may need to re-train the worker.

This bill addresses both those issues, and also helps alleviate the Unemployment Insurance deficit by getting people off of unemployment and into the workforce sooner.

Senate Bill 352 creates a pilot program in which three areas served by local workforce development boards will participate. In these three areas, employers will apply to DWD to offer six-week employer-specific training to unemployed workers. The unemployed individual who participates in the program will receive an additional \$75 stipend for each week they participate.

The program alleviates some of the uncertainty in the hiring process. For the employer, this reduces the risk and cost of hiring new employees. Job seekers receive a new skill set, and get to show other employers a willingness to learn and a desire to work. The hope is that at the end of the 6 weeks both the employer and the worker have found a good fit, and we have a productive new member of the workforce.

I admit there is a potential for abuse for both the employer and employee in this program. We do not want employers getting essentially "free labor", and we don't want workers just paying lip service to getting a new job to receive an extra \$75 a week. We think that we've addressed those concerns. An employer must affirm that it has a job opening for each participant in the program. Further, if a job creator is a bad actor, constantly bringing in unemployed workers to "train," but never hiring anyone, DWD won't approve them to participate. Similarly, workers are only able to participate in the first 26 weeks of unemployment, and may only receive 2 placements a year.

Serving Racine County - Senate District 21

State Capitol, P.O. Box 7882, Madison, WI 53707-7882 • (608) 266-1832 • Toll-free (866) 615-7510  
E-Mail: Sen.Wanggaard@legis.wi.gov • <http://Wanggaard.senate.wi.gov>

I'm sure you are wondering about the cost of this proposal. The cost to the state is roughly \$750,000 per year. It is my belief though, that this cost will be more than made up for by increased income and business tax receipts.

This bill is about putting unemployed workers into potential jobs and getting employers a new pool of potential employees. I view this as a win-win. I urge your support for SB 352.