

**2015 DRAFTING REQUEST**

**Bill**

Received: 10/2/2014 Received By: pkahler  
Wanted: As time permits Same as LRB:  
For: Administration-Budget By/Representing: Major  
May Contact: Drafter: pkahler  
Subject: Public Assistance - Wis works Addl. Drafters:  
Extra Copies:

Submit via email: YES  
Requester's email:  
Carbon copy (CC) to: sbostatlanguage@webapps.wi.gov  
elisabeth.shea@legis.wisconsin.gov

---

**Pre Topic:**

DOA:.....Major, BB0114 -

---

**Topic:**

Payment of wage subsidy that is less than minimum wage

---

**Instructions:**

See attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 10/7/2014	jdye 10/8/2014		_____			
/P1	pkahler 12/16/2014		jfrantze 10/8/2014	_____	sbasford 10/8/2014		State
/P2		jdye 1/12/2015	jmurphy 1/14/2015	_____	sbasford 12/18/2014		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1				_____	lparisi 1/14/2015		State

FE Sent For:

<END>

**2015 DRAFTING REQUEST**

**Bill**

Received: 10/2/2014 Received By: pkahler  
Wanted: As time permits Same as LRB:  
For: Administration-Budget By/Representing: Major  
May Contact: Drafter: pkahler  
Subject: Public Assistance - Wis works Addl. Drafters:  
Extra Copies:

Submit via email: YES  
Requester's email:  
Carbon copy (CC) to: sbostatlanguage@webapps.wi.gov  
elisabeth.shea@legis.wisconsin.gov

---

**Pre Topic:**

DOA:.....Major, BB0114 -

---

**Topic:**

Payment of wage subsidy that is less than minimum wage

---

**Instructions:**

See attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 10/7/2014	jdyer 10/8/2014		_____			
/P1	pkahler 12/16/2014	<i>1 1/2</i> jdyl jdyl 12/17/2014	jfrantze 10/8/2014	_____	sbasford 10/8/2014		State
/P2		jdyl 12/17/2014	rschluet 12/18/2014	<i>Just</i> 1/14	sbasford 12/18/2014		State

FE Sent For:

**<END>**

**2015 DRAFTING REQUEST**

**Bill**

Received: **10/2/2014** Received By: **pkahler**  
Wanted: **As time permits** Same as LRB:  
For: **Administration-Budget** By/Representing: **Major**  
May Contact: Drafter: **pkahler**  
Subject: **Public Assistance - Wis works** Addl. Drafters:  
Extra Copies:

Submit via email: **YES**  
Requester's email:  
Carbon copy (CC) to: **sbostatlanguage@webapps.wi.gov**  
**elisabeth.shea@legis.wisconsin.gov**

---

**Pre Topic:**

DOA:.....Major, BB0114 -

---

**Topic:**

Payment of wage subsidy that is less than minimum wage ✓

---

**Instructions:**

See attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 10/7/2014	jdye 10/8/2014	jd	_____			
/P1		P2 12/16 jld	jfrantze 10/8/2014	_____	sbasford 10/8/2014		State

FE Sent For:

<END>

**2015 DRAFTING REQUEST**

**Bill**

Received: **10/2/2014** Received By: **pkahler**  
Wanted: **As time permits** Same as LRB:  
For: **Administration-Budget** By/Representing: **Major**  
May Contact: Drafter: **pkahler**  
Subject: **Public Assistance - Wis works** Addl. Drafters:  
Extra Copies:

Submit via email: **YES**  
Requester's email:  
Carbon copy (CC) to: **sbostatlanguage@webapps.wi.gov** ✓  
**elisabeth.shea@legis.wisconsin.gov**

---

**Pre Topic:**

DOA:.....Major, BB0114 -

---

**Topic:**

Payment of wage subsidy that is less than minimum wage ✓

---

**Instructions:**

See attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler	PI 10/8 jld	jd	He 10/8			State

FE Sent For:

<END>

**2015 DRAFTING REQUEST**

**Bill**

Received: 10/2/2014 Received By: pkahler  
Wanted: As time permits Same as LRB:  
For: Administration-Budget By/Representing: Major  
May Contact: Drafter: pkahler  
Subject: Public Assistance - Wis works Addl. Drafters:  
Extra Copies:

Submit via email: YES  
Requester's email:  
Carbon copy (CC) to: sbostatlanguage@webapps.wi.gov  
elisabeth.shea@legis.wisconsin.gov

---

**Pre Topic:**

DOA:.....Major, BB0114 -

---

**Topic:**

Statutory authority for W-2 program administration

---

**Instructions:**

See attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler			_____			

FE Sent For:

<END>

**Kahler, Pam**

---

**From:** Hanaman, Cathlene  
**Sent:** Thursday, October 02, 2014 2:08 PM  
**To:** Kahler, Pam  
**Subject:** FW: Statutory Language Drafting Request - BB0114  
**Attachments:** Statutory Authority for the W-2 Program.pdf

---

**From:** [katrina.major@wisconsin.gov](mailto:katrina.major@wisconsin.gov) [mailto:[katrina.major@wisconsin.gov](mailto:katrina.major@wisconsin.gov)]  
**Sent:** Thursday, October 02, 2014 2:06 PM  
**To:** Hanaman, Cathlene  
**Cc:** Kraus, Jennifer - DOA; Major, Katrina L - DOA; Connor, Christopher B - DOA  
**Subject:** Statutory Language Drafting Request - BB0114

Biennial Budget: 2015-17

Topic: Statutory Authority for W-2 Program

Tracking Code: BB0114

SBO Team: GGCF

SBO Analyst: Major, Katrina L - DOA  
Phone: 608-266-2288  
E-mail: [katrina.major@wisconsin.gov](mailto:katrina.major@wisconsin.gov)

Agency Acronym: DCF

Agency Number: 437

Priority: Medium

Intent:

Revise W-2 administrative responsibility to clarify DCF's overall responsibility for administering the w-2 program through contracts with local w-2 agency providers. Amend statutes to authorize agencies to negotiate a subsidy of less than minimum wage.

Attachments: True

Please send completed drafts to [SBOStatlanguage@webapps.wi.gov](mailto:SBOStatlanguage@webapps.wi.gov)



**DEPARTMENT OF CHILDREN AND FAMILIES**  
**2015-17 Biennial Budget**  
**White Paper**

**Issue:** Statutory Authority for the Wisconsin Works (W-2) Program

**Background**

At present, Wisconsin statutes delegate a significant amount of authority directly to W-2 agencies with respect to program decision-making and implementation. Chapter 49 of the Wisconsin Statutes allows for agency discretion in 34 instances relating to assignment of activities, utilization of vocational and educational training, transportation assistance, and extension of eligibility amongst other fundamental programmatic elements. Although it is important to allow agencies to establish and maintain practices that are the best fit for the unique needs of their service area, adherence to federal Temporary Assistance for Needy Families (TANF) statutes and regulations is paramount to the integrity and financial security of the W-2 program. Currently, Chapter 49 does not clearly confer on the Department the authority to ensure that the W-2 program adapts to the evolving guidelines and expectations of the federal government. For example, many of the areas in which the W-2 agencies are granted discretion directly relate to the federal Work Participation Rate (WPR). As a result of federal TANF changes, states must meet increased work participation requirements or risk fiscal penalty. Wisconsin will receive a notice of noncompliance in April 2015 for failure to meet the minimum WPR requirement for Federal Fiscal Year 2012. Wisconsin has the opportunity to negotiate a corrective compliance plan detailing strategies to increase overall participation rates to avoid penalty; however, the Department is currently limited in options for implementing change as a result of the provisions in statute that appear to make those decisions the responsibility of individual agencies, not the department. The statutes place the Department at risk of additional fiscal penalty should agencies exercise their statutory discretion to assign hours and activities in a way that does not meet federal WPR requirements.

In addition, the Department believes additional flexibility is needed in the administration of subsidized employment programs, including the Transform Milwaukee Jobs program, the Transitional Jobs program, and the Trial Employment Match Program placement in W-2 to permit agencies to negotiate subsidies of less than federal or state minimum wage. While a cap on subsidies equal to the statutory minimum wage places a sensible restriction, in situations where there is a tight labor market or where the W-2 agency has provided significant training that would otherwise be an employer expense, it should be possible to negotiate a subsidy less than statutory minimum wage and still attract quality employers who are willing pay the difference between the subsidy amount and either the statutory minimum wage or the employer's normal starting wage, if higher.

## Proposal

DCF proposes the following:

1. Revising W-2 administrative responsibility in Chapter 49 to clarify the Department's overall responsibility for administering the W-2 program through contracts with local W-2 agency providers. Moving forward, the Department will prescribe discretion to W-2 agencies through contracts with the agencies. This will:
  - Ensure that the W-2 program is implemented according to department contracts, administrative rules, policies and practices that align with federal TANF requirements and with state statute.
  - Allow for swift response and mandatory implementation of comprehensive statewide best practices when changes are necessary to ensure compliance with federal law, to reduce the risk to the state of significant financial penalty for noncompliance.
  - Allow the Department flexibility in designing and improving services for W-2 participants when appropriate and as negotiated through contract, which also provides opportunity for enhanced collaboration with agencies.
  - Clarify the Department's authority to mandate uniform practices and policies where appropriate to assure every participant has full access to the full W-2 program regardless of where in the state that participant is served.
- ✓ 2. Amending Wisconsin Statutes, §§ 49.147(3)(ac), 49.148(1)(a), 49.163(3)(a)2, 49.163(3)(a)3a to authorize agencies to individually negotiate a subsidy of *less* than the federal or state minimum wage. This greater flexibility allows agencies to serve more participants in subsidized employment programs where employers are willing to negotiate a subsidy of *less* than federal or state minimum wage. The proposed statutory changes will provide flexibility to respond to changes in the labor market and to consider the added value to employers of services offered by the agencies implementing these programs.

*specific  
bring  
change  
add  
something  
to contract  
long-term?*

## Fiscal Implications

Additional funding may be necessary to provide salary and fringe benefits to at least one additional full-time employee. Current staff cannot absorb the significant workload resultant of the changes to training, W-2 policy, and contracts that will follow the proposed statutory changes for administrative responsibility.



State of Wisconsin  
2015 - 2016 LEGISLATURE



LRB-0351/

PJK:.....

Handwritten initials: JLD

DOA:.....Major, BB0114 - Payment of wage subsidy that is less than minimum wage

**FOR 2015-2017 BUDGET - NOT READY FOR INTRODUCTION**

Handwritten note: Done (in 10-7)

Handwritten note: do not generate

Handwritten mark: X

1 AN ACT; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**WISCONSIN WORKS**

Under the Wisconsin Works (W-2) program in current law, a W-2 agency pays a wage subsidy to an employer that employs an individual placed in a Trial Employment Match Program job. The subsidy amount is negotiated between the W-2 agency and the employer, but it may not be less than the federal or state minimum wage that applies to the individual. The employer must pay the individual at least the minimum wage that applies to the individual. Also under current law, DCF pays a wage subsidy to an employer that employs an individual participating in the Transform Milwaukee Jobs Program or Transitional Jobs Program. The subsidy amount is equal to the wages that the employer pays the individual for hours actually worked, up to 40 hours per week at the federal or state minimum wage that applies to the individual. The employer must pay the individual not less than the applicable federal or state minimum wage for hours actually worked, but the employer may pay the individual more than the amount of the wage subsidy that DCF pays to the employer.



This bill authorizes a W-2 agency (DCF) to negotiate with the employer of an individual in a Trial Employment Match Program job, and DCF to negotiate with the

employer of an individual in a job under the Transform Milwaukee Jobs Program or Transitional Jobs Program, a wage subsidy amount that the W-2 agency or DCF will pay to the employer that is less than the federal or state minimum wage that applies to the individual. The employer, however, must still pay the individual for hours actually worked at not less than the federal or state minimum wage that applies to the individual.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 49.147 (3) (ac) (intro.) of the statutes is amended to read:

2           49.147 (3) (ac) *Employer subsidies and reimbursements.* (intro.) The  
3           Wisconsin Works agency shall pay to an employer that employs a participant under  
4           this subsection a wage subsidy in an amount that is negotiated between the  
5           Wisconsin Works agency and the employer ~~but~~ and ~~that is not~~ may be less than the  
6           ~~state or federal~~ minimum wage that applies to the participant. The wage subsidy  
7           shall be paid for each hour that the participant actually works, up to a maximum of  
8           40 hours per week. In addition to paying the wage subsidy, the Wisconsin Works  
9           agency may, as negotiated between the Wisconsin Works agency and the employer,  
10          reimburse the employer for all or a portion of other costs that are attributable to the  
11          employment of the participant, including any of the following:

**History:** 1995 a. 289; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 33; 2005 a. 25; 2007 a. 20; 2009 a. 28, 333; 2011 a. 32, 257; 2013 a. 20.

\*\*\*\*NOTE: I struck the language surrounding "minium wage" because of the  
definition in s. 49.141 (1) (g). (m)

12          **SECTION 2.** 49.148 (1) (a) of the statutes is amended to read:

13          49.148 (1) (a) *Trial employment match program jobs.* For a participant in a trial  
14          employment match program job, the amount established in the contract between the  
15          Wisconsin Works agency and the trial employment match program job employer, ~~but~~  
16          ~~not less than minimum wage~~ for every hour actually worked in the trial employment

1 match program job, not to exceed 40 hours per week paid by the employer. Hours  
2 spent participating in education and training activities under s. 49.147 (3) (am) shall  
3 be included in determining the number of hours actually worked.

History: 1995 a. 289; 1997 a. 27; 1999 a. 9; 2009 a. 28; 2011 a. 32, 257; 2013 a. 20, 165.

\*\*\*\*NOTE: The drafting instructions specified that the provision above should be amended. Does the provision above refer to the amount of the subsidy or the amount that the participant actually gets paid? If it is the amount that the participant actually gets paid, amending it does not seem necessary.

4 **SECTION 3.** 49.163 (3) (a) 2. of the statutes is amended to read:

5 49.163 (3) (a) 2. The department shall determine and specify in a contract  
6 whether a contractor under sub. (4) or an employer is the individual's employer of  
7 record. The employer of record shall pay the individual for hours actually worked  
8 at not less than the federal or state minimum wage that applies to the individual.

History: 2013 a. 20, 113; 2013 a. 151 s. 27.

\*\*\*\*NOTE: The drafting instructions also specified that s. 49.163 (3) (a) 2. should be amended, but I have not done so because it refers to the amount that the employer pays, not the subsidy amount. Let me know if this is not correct.

9 **SECTION 4.** 49.163 (3) (a) 3. a. of the statutes is amended to read:

10 49.163 (3) (a) 3. a. A wage subsidy that is equal to the an amount of wages that  
11 negotiated between the department and the employer or contractor pays to the  
12 individual, that is paid for hours each hour the individual actually worked, not to  
13 exceed 40 hours per week at, and that may be less than the federal or state minimum  
14 wage that applies to the individual.

History: 2013 a. 20, 113; 2013 a. 151 s. 27.

15 **SECTION 5.** 49.163 (3) (a) 4. of the statutes is repealed.

16 (END)

*note*

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0351/2dn  
PJK:.....

date

JLD

Katie:

This draft contains just the minimum wage part, since you indicated that the other part of this request may not be wanted any longer. ✓

Pamela J. Kahler  
Senior Attorney  
(608) 266-2682  
pam.kahler@legis.wisconsin.gov

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0351/P1dn  
PJK:jld:jf

October 8, 2014

Katie:

This draft contains just the minimum wage part, since you indicated that the other part of this request may not be wanted any longer.

Pamela J. Kahler  
Senior Attorney  
(608) 266-2682  
[pam.kahler@legis.wisconsin.gov](mailto:pam.kahler@legis.wisconsin.gov)

**Kahler, Pam**

---

**From:** Major, Katrina L - DOA <Katrina.Major@wisconsin.gov>  
**Sent:** Monday, December 15, 2014 3:46 PM  
**To:** Kahler, Pam  
**Cc:** Kraus, Jennifer - DOA  
**Subject:** 0351/1

Hi Pam, one more change to this beyond what we discussed—in section 4, instead of repealing 3a4, would you please add to it that the employer must pay the participant at least min wage? Thanks!

Other changes discussed by phone:

in section 1, delete language starting w/ "but"  
on line 5

add to section 1 that employe must pay  
difference between subsidy and wage  
and that wage must be at least  
minimum

Delete Sect. 2

She agrees w/ both of my notes





State of Wisconsin  
2015 - 2016 LEGISLATURE



LRB-0351/P1  
PJK:jld:jf

DOA:.....Major, BB0114 - Payment of wage subsidy that is less than minimum wage

**FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION**

in 12-16  
due TUES  
12-23

x  
1 do not gen  
AN ACT ...; relating to: the budget. ✓

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**WISCONSIN WORKS**

Under the Wisconsin Works (W-2) program in current law, a W-2 agency pays a wage subsidy to an employer that employs an individual placed in a Trial Employment Match Program job. The subsidy amount is negotiated between the W-2 agency and the employer, but it may not be less than the federal or state minimum wage that applies to the individual. The employer must pay the individual at least the minimum wage that applies to the individual. Also under current law, DCF pays a wage subsidy to an employer that employs an individual participating in the Transform Milwaukee Jobs Program or Transitional Jobs Program. The subsidy amount is equal to the wages that the employer pays the individual for hours actually worked, up to 40 hours per week at the federal or state minimum wage that applies to the individual. The employer must pay the individual not less than the applicable federal or state minimum wage for hours actually worked, but the employer may pay the individual more than the amount of the wage subsidy that DCF pays to the employer.

This bill authorizes a W-2 agency to negotiate with the employer of an individual in a Trial Employment Match Program job, and DCF to negotiate with the

Insert A ✓

employer of an individual in a job under the Transform Milwaukee Jobs Program or Transitional Jobs Program, a wage subsidy amount that the W-2 agency or DCF will pay to the employer ~~(that is less than the federal or state minimum wage that applies to the individual)~~. The employer, however, must still pay the individual for hours actually worked at not less than the federal or state minimum wage that applies to the individual.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

**The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:**

SECTION 1. 49.147 (3) (ac) (intro.) of the statutes is amended to read:

49.147 (3) (ac) *Employer subsidies and reimbursements.* (intro.) The Wisconsin Works agency shall pay to an employer that employs a participant under this subsection a wage subsidy in an amount that is negotiated between the Wisconsin Works agency and the employer but ~~(and) that is not (may be) less than the state or federal minimum wage that applies to the participant~~. The wage subsidy shall be paid for each hour that the participant actually works, up to a maximum of 40 hours per week. In addition to paying the wage subsidy, the Wisconsin Works agency may, as negotiated between the Wisconsin Works agency and the employer, reimburse the employer for all or a portion of other costs that are attributable to the employment of the participant, including any of the following:

\*\*\*NOTE: I struck the language surrounding "minimum wage" because of the definition in s. 49.141 (1) (g).

SECTION 2. 49.148 (1) (a) of the statutes is amended to read:

49.148 (1) (a) *Trial employment match program jobs.* For a participant in a trial employment match program job, the amount established in the contract between the Wisconsin Works agency and the trial employment match program job employer, ~~but not less than minimum wage~~ for every hour actually worked in the trial employment match program job, not to exceed 40 hours per week paid by the employer. Hours

1 spent participating in education and training activities under s. 49.147 (3) (am) shall  
2 be included in determining the number of hours actually worked.

\*\*\*\*NOTE: The drafting instructions specified that the provision above should be amended. Does the provision above refer to the amount of the subsidy or the amount that the participant actually gets paid? If it is the amount that the participant actually gets paid, amending it does not seem necessary.

\*\*\*\*NOTE: The drafting instructions also specified that s. 49.163 (3) (a) 2. should be amended, but I have not done so because it refers to the amount that the employer pays, not the subsidy amount. Let me know if this is not correct.

3 SECTION 3. 49.163 (3) (a) 3. a. of the statutes is amended to read:

4 49.163 (3) (a) 3. a. A wage subsidy that is equal to the an amount of wages that  
5 negotiated between the department and the employer or contractor pays to the  
6 individual, that is paid for hours each hour the individual actually worked, not to  
7 exceed 40 hours per week at, and that may be less than the federal or state minimum  
8 wage that applies to the individual.

9 SECTION 4. 49.163 (3) (a) 4. of the statutes is repealed.

10

(END)

Insert 3-9 ✓

2015-2016 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0351/Pflins  
PJK:.....

INSERT A

NOTE

The wage subsidy amount is not required to be at least the minimum wage.

(END OF INSERT A)

NO  
A

INSERT 2-8

NOTE

1 The employer shall pay the participant any difference between the wage  
2 subsidy amount and the participant's wage ✓ and must pay the participant at least  
3 minimum wage. NO  
A

(END OF INSERT 2-8)

INSERT 3-9

4 **SECTION 1.** 49.163 (3) (a) 4. ✓ of the statutes is amended to read:  
5 49.163 (3) (a) 4. An employer, or, subject to the approval of the department, a  
6 contractor under sub. (4), that employs an individual participating in the program  
7 may pay the individual an amount that exceeds any wage subsidy paid to the  
8 employer or contractor by the department under subd. 3. a., except that the employer  
9 or contractor must pay the individual at least minimum wage. ✓

History: 2013 a. 20, 113; 2013 a. 151 s. 27.

(END OF INSERT 3-9)

## Kahler, Pam

---

**From:** Major, Katrina L - DOA <Katrina.Major@wisconsin.gov>  
**Sent:** Monday, January 12, 2015 11:23 AM  
**To:** Kahler, Pam  
**Cc:** Kraus, Jennifer - DOA  
**Subject:** 0351

Hi Pam, I had sent this draft to DCF to see if they were happy with our revisions, and they just had a couple changes...would you please make them? Thanks! K

### Subsidized Employment Draft Comments

1. With regard to trial employment match program subsidies, we recommend that the drafter retain the struck out language on page 2, lines 5 and 6, with the following edits:  
  
“ . . .but that is not less more than the state or federal minimum wage that applies to the participant.”
2. With regard to Transform Milwaukee Jobs and Transitional Jobs programs, we recommend that the drafter revise the added language on page 3, line 1, with the following edits:  
  
“ . . . and that may is not more than the federal or state minimum wage that applies to the participant.”



State of Wisconsin  
2015 - 2016 LEGISLATURE



LRB-0351/02

PJK:jld:rs

due FRI, 1-16

DOA:.....Major, BB0114 - Payment of wage subsidy that is less than minimum wage

**FOR 2015-2017 BUDGET — NOT READY FOR INTRODUCTION**

(in 1-12)

4

do not gen

1

AN ACT ...; relating to: the budget. ✓

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**WISCONSIN WORKS**

Under the Wisconsin Works (W-2) program in current law, a W-2 agency pays a wage subsidy to an employer that employs an individual placed in a Trial Employment Match Program job. The subsidy amount is negotiated between the W-2 agency and the employer, but it may not be less than the federal or state minimum wage that applies to the individual. The employer must pay the individual at least the minimum wage that applies to the individual. Also under current law, DCF pays a wage subsidy to an employer that employs an individual participating in the Transform Milwaukee Jobs Program or Transitional Jobs Program. The subsidy amount is equal to the wages that the employer pays the individual for hours actually worked, up to 40 hours per week at the federal or state minimum wage that applies to the individual. The employer must pay the individual not less than the applicable federal or state minimum wage for hours actually worked, but the employer may pay the individual more than the amount of the wage subsidy that DCF pays to the employer.

This bill authorizes a W-2 agency to negotiate with the employer of an individual in a Trial Employment Match Program job, and DCF to negotiate with the

employer of an individual in a job under the Transform Milwaukee Jobs Program or Transitional Jobs Program, a wage subsidy amount that the W-2 agency or DCF will pay to the employer. The wage subsidy amount is not required to be at least the minimum wage. The employer, however, must still pay the individual for hours actually worked at not less than the federal or state minimum wage that applies to the individual.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

May not be more than

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. 49.147 (3) (ac) (intro.) of the statutes is amended to read:

49.147 (3) (ac) *Employer subsidies and reimbursements.* (intro.) The Wisconsin Works agency shall pay to an employer that employs a participant under this subsection a wage subsidy in an amount that is negotiated between the Wisconsin Works agency and the employer but that is not less than the state or federal minimum wage that applies to the participant. The wage subsidy shall be

paid for each hour that the participant actually works, up to a maximum of 40 hours per week. The employer shall pay the participant any difference between the wage subsidy amount and the participant's wage and must pay the participant at least minimum wage. In addition to paying the wage subsidy, the Wisconsin Works agency may, as negotiated between the Wisconsin Works agency and the employer, reimburse the employer for all or a portion of other costs that are attributable to the employment of the participant, including any of the following:

SECTION 2. 49.163 (3) (a) 3. a. of the statutes is amended to read:

49.163 (3) (a) 3. a. A wage subsidy that is equal to the an amount of wages that negotiated between the department and the employer or contractor pays to the individual, that is paid for hours each hour the individual actually worked, not to

plain

more

plain

is not more ✓

1

exceed 40 hours per week at, and that may be less than the federal or state minimum wage that applies to the individual.

3

**SECTION 3.** 49.163 (3) (a) 4. of the statutes is amended to read:

4

49.163 (3) (a) 4. An employer, or, subject to the approval of the department, a contractor under sub. (4), that employs an individual participating in the program may pay the individual an amount that exceeds any wage subsidy paid to the employer or contractor by the department under subd. 3. a., except that the employer or contractor must pay the individual at least minimum wage. ✓

9

(END)





State of Wisconsin  
2015 - 2016 LEGISLATURE



LRB-0351/1  
PJK:jld:jm

DOA:.....Major, BB0114 - Payment of wage subsidy that is less than minimum wage

**FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION**

1 AN ACT ...; relating to: the budget.

---

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**WISCONSIN WORKS**

Under the Wisconsin Works (W-2) program in current law, a W-2 agency pays a wage subsidy to an employer that employs an individual placed in a Trial Employment Match Program job. The subsidy amount is negotiated between the W-2 agency and the employer, but it may not be less than the federal or state minimum wage that applies to the individual. The employer must pay the individual at least the minimum wage that applies to the individual. Also under current law, DCF pays a wage subsidy to an employer that employs an individual participating in the Transform Milwaukee Jobs Program or Transitional Jobs Program. The subsidy amount is equal to the wages that the employer pays the individual for hours actually worked, up to 40 hours per week at the federal or state minimum wage that applies to the individual. The employer must pay the individual not less than the applicable federal or state minimum wage for hours actually worked, but the employer may pay the individual more than the amount of the wage subsidy that DCF pays to the employer.

This bill authorizes a W-2 agency to negotiate with the employer of an individual in a Trial Employment Match Program job, and DCF to negotiate with the

employer of an individual in a job under the Transform Milwaukee Jobs Program or Transitional Jobs Program, a wage subsidy amount that the W-2 agency or DCF will pay to the employer. The wage subsidy amount may not be more than the minimum wage. The employer must still pay the individual for hours actually worked at not less than the federal or state minimum wage that applies to the individual.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

---

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 49.147 (3) (ac) (intro.) of the statutes is amended to read:

2           49.147 (3) (ac) *Employer subsidies and reimbursements.* (intro.) The  
3           Wisconsin Works agency shall pay to an employer that employs a participant under  
4           this subsection a wage subsidy in an amount that is negotiated between the  
5           Wisconsin Works agency and the employer but that is not less more than the state  
6           or federal minimum wage that applies to the participant. The wage subsidy shall be  
7           paid for each hour that the participant actually works, up to a maximum of 40 hours  
8           per week. The employer shall pay the participant any difference between the wage  
9           subsidy amount and the participant's wage and must pay the participant at least  
10          minimum wage. In addition to paying the wage subsidy, the Wisconsin Works agency  
11          may, as negotiated between the Wisconsin Works agency and the employer,  
12          reimburse the employer for all or a portion of other costs that are attributable to the  
13          employment of the participant, including any of the following:

14          **SECTION 2.** 49.163 (3) (a) 3. a. of the statutes is amended to read:

15          49.163 (3) (a) 3. a. A wage subsidy that is equal to the an amount of wages that  
16          negotiated between the department and the employer or contractor pays to the  
17          individual, that is paid for hours each hour the individual actually worked, not to

1 exceed 40 hours per week at, and that is not more than the federal or state minimum  
2 wage that applies to the individual.

3 **SECTION 3.** 49.163 (3) (a) 4. of the statutes is amended to read:

4 49.163 (3) (a) 4. An employer, or, subject to the approval of the department, a  
5 contractor under sub. (4), that employs an individual participating in the program  
6 may pay the individual an amount that exceeds any wage subsidy paid to the  
7 employer or contractor by the department under subd. 3. a., except that the employer  
8 or contractor must pay the individual at least minimum wage.

9

(END)