



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-0090/4  
PJK:sac:rs

DOA:.....Major, BB0194 - Creating the Transform Milwaukee Jobs program

**FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION**

**AN ACT ...; relating to:** creating a Transform Milwaukee Jobs program.

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*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**PUBLIC ASSISTANCE**

Under current law, the transitional jobs demonstration project, under which DCF pays wage subsidies to employers who employ low-income individuals in transitional jobs, will end on July 1, 2013. This bill creates a Transform Milwaukee Jobs program (TMJ program) that is very similar to the transitional jobs demonstration project. Under the TMJ program, DCF pays to an employer, or a person with which DCF contracts to administer the program (contractor), that employs a program participant a wage subsidy that is equal to the wage the employer or contractor pays the participant, up to 40 hours per week at minimum wage. The employer or contractor must employ the participant at least 20 hours per week at a location in this state and pay at least minimum wage, although the employer, or contractor with the approval of DCF, may pay the participant more than the wage subsidy. An individual may participate in the program for a maximum of 1,040 hours, which is equivalent to 26 40-hour weeks. In addition to paying the wage subsidy, DCF may reimburse an employer or contractor for certain taxes, unemployment contributions or taxes, and worker's compensation insurance premiums that are attributable to employment of the participant.

To be eligible to participate in the TMJ program, an individual must be at least 18 years old, and, if over 24 years old, must be the parent or primary relative

caregiver of a child under the age of 18. The individual must have household income below 150 percent of the poverty line, be unemployed for at least four weeks, be ineligible to receive unemployment benefits, and not be participating in a Wisconsin Works (W-2) employment position. A program participant may be eligible for a child care subsidy under Wisconsin Shares, which generally provides child care subsidies for participants in W-2, if the program participant needs child care services in order to participate in the program.

DCF may administer the TMJ program or contract with any person, including a W-2 agency, county department, local workforce development board, or community action agency, to perform administrative functions, including determining eligibility, providing or identifying employers to provide jobs for eligible individuals, providing job orientation and employment services, and maintaining participant demographic, eligibility, and employment records. DCF may recover an overpayment from a participant that results from a misrepresentation about his or her eligibility, and must recover an overpayment from a contractor that results from a failure to comply with the contract or to meet performance standards established by DCF. For the TMJ program, the bill allocates \$3,750,000 in fiscal year 2013-14 and \$5,000,000 in fiscal year 2014-15 from federal Temporary Assistance for Needy Families (TANF) block grant program funds.

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

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

**SECTION 1.** 49.155 (1m) (a) 3r. of the statutes is created to read:

49.155 (1m) (a) 3r. Participate in the Transform Milwaukee Jobs program under s. 49.163.

**SECTION 2.** 49.163 of the statutes is created to read:

**49.163 Transform Milwaukee Jobs program. (1) DEFINITIONS.** In this section:

(a) “Wisconsin Works” has the meaning given in s. 49.141 (1) (p).

(b) “Wisconsin Works employment position” has the meaning given in s. 49.141

(1) (r).

**(2) ELIGIBILITY FOR PROGRAM.** (a) The department shall establish a Transform Milwaukee Jobs program in Milwaukee County. To be eligible to participate in the program, an individual must satisfy all of the following criteria:

1. Be at least 18 years of age.
2. If over 24 years of age, be a biological or adoptive parent of a child under 18 years of age whose parental rights to the child have not been terminated or be a relative and primary caregiver of a child under 18 years of age.
3. Have an annual household income that is below 150 percent of the poverty line.
4. Be unemployed for at least 4 weeks.
5. Be ineligible to receive unemployment insurance benefits.
6. Not be participating in a Wisconsin Works employment position.

(b) For purposes of par. (a) 3., the household income of an individual transitioning from foster care to independent living shall be based on the individual's own income over a period determined by the department and shall not include the household income of the individual's foster parents.

(c) The department may establish additional eligibility criteria consistent with its mission and the funding available.

**(3) PROGRAM DESCRIPTION.** (a) The program under this section shall include all of the following features and requirements:

1. An individual may participate in the program for a maximum of 1,040 hours actually worked.
2. The department shall determine and specify in a contract whether a contractor under sub. (4) or an employer is the individual's employer of record. The

employer of record shall pay the individual for hours actually worked at not less than the federal or state minimum wage that applies to the individual.

3. The department may reimburse an employer, or a contractor under sub. (4), that employs an individual participating in the program for a minimum of 20 hours per week at a location in this state for any of the following costs that are attributable to the employment of the individual under the program:

a. A wage subsidy equal to the amount of wages that the employer or contractor pays to the individual for hours actually worked, not to exceed 40 hours per week at the federal or state minimum wage that applies to the individual.

b. Federal social security and Medicare taxes.

c. State and federal unemployment contributions or taxes, if any.

d. Worker's compensation insurance premiums, if any.

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.

5. The employment of an individual under this section may not do any of the following:

a. Have the effect of filling a vacancy created by an employer terminating a regular employee or otherwise reducing its work force for the purpose of hiring an individual under this section.

b. Fill a position when any other person is on layoff or strike from the same or a substantially equivalent job within the same organizational unit.

c. Fill a position when any other person is engaged in a labor dispute regarding the same or a substantially equivalent job within the same organizational unit.

(b) The department may set priorities for the program consistent with its mission and available funding.

**(4) CONTRACT FOR ADMINISTRATION.** The department may contract with any person to administer the program under this section, including a Wisconsin Works agency; county department under s. 46.215, 46.22, or 46.23; local workforce development board established under [29 USC 2832](#); or community action agency under s. 49.265. The department, or the agency or agencies with which the department contracts under this subsection, shall do all of the following:

(a) Determine the eligibility of applicants for the program.

(b) Provide, or identify employers to provide, jobs for individuals transitioning to unsubsidized employment from unemployment, underemployment, limited work history, foster care, or other circumstances identified by the department.

(c) Conduct job orientation activities.

(d) Provide employment services, as specified by the department, for program participants.

(e) Maintain and update participant demographic, eligibility, and employment records in the manner required by the department.

**(5) RECOVERY OF OVERPAYMENTS.** (a) The department may recover from any individual participating, or who has participated, in the program under this section any overpayment resulting from a misrepresentation by the individual as to any criterion for eligibility under sub. (2) (a).

(b) The department shall recover from a contractor under sub. (4) any overpayment resulting from the failure of the contractor to comply with the terms of the contract or to meet performance standards established by the department.

**(6) RULES NOT REQUIRED.** Notwithstanding s. 227.10 (1), the department need not promulgate regulations, standards, or policies related to implementing or administering the program under this section as rules under ch. 227.

**SECTION 3.** 49.175 (1) (k) of the statutes is created to read:

49.175 (1) (k) *Transform Milwaukee Jobs program.* For contract costs under the Transform Milwaukee Jobs program under s. 49.163, \$3,750,000 in fiscal year 2013-14 and \$5,000,000 in fiscal year 2014-15.

**(END)**