



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**

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

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*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.

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***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 more 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

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

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

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.

(END)