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# THOMAS WEATHERSTON

STATE REPRESENTATIVE • 62<sup>ND</sup> ASSEMBLY DISTRICT

Thank you Mr. Chairman and members of the committee.

AB 401 creates the Transitional Jobs program, which is an expansion of the existing Transform Milwaukee Jobs program. Under the earlier Transitional Jobs Demonstration program, many of the 4,047 workers who participated received training and earned a full time job after graduating from the program. The Department of Children and Families will administer this new program in the same fashion is does the existing programs.

The current program only operates in Milwaukee, but Milwaukee is not the only area where workers need help. Because of the successes of the previous demonstration project, this bill would continue the Transitional Jobs program to areas with high unemployment and high child poverty rates around the state. My district includes part of the City of Racine, which has consistently had one of the highest unemployment rates in the state for quite some time. There are also other areas across the state that would benefit from a program that gets the unemployed back into the workforce.

With the expansion, the program will still focus on its core mission of helping to provide a positive work history to low income adults with limited employment skills, with the ultimate goal of moving them to unsubsidized employment. There will still be a number of restrictions on program eligibility, such as being unemployed for 4 weeks, either being between age 18 and 24, or being a parent or caregiver of a child under 18, not receiving unemployment benefits, and having an income below 150% of the poverty line.

The core of this program involves getting people back into the workforce and trained in job related skills. The program does that by subsidizing the first 26 weeks of employment. The state will reimburse businesses for up to 40 hours a week for at least minimum wage, which helps to limit the risk of hiring a new untrained worker. Businesses will be encouraged to make new hires because the cost of training will be reduced. After those 26 weeks are up, the business can then hire the newly trained worker on a more permanent basis.

Rather than giving a hand-out, this program will provide a hand-up for those who want to work to find a job. I hope that you can all support this bipartisan jobs bill.

# Alberta Darling

## Wisconsin State Senator

Joint Committee on Finance

### TESTIMONY BEFORE THE ASSEMBLY COMMITTEE ON WORKFORCE DEVELOPMENT

Assembly Bill 401

Senator Alberta Darling

October 9, 2013

Thank you Committee Chair Loudensbeck and members for giving me the opportunity to testify in favor of Assembly bill 401 which expands the Transform Milwaukee Jobs program to other cities and counties with high levels of unemployment. I am pleased to be joined by Rep. Weatherston to discuss the bill.

After the success of the Transitional Job Demonstrational Program which concluded in June with over 4,000 workers participating, Transform Milwaukee Jobs program was created in the biennial budget. The purposes of the program are to provide low income adults with an immediate income, an opportunity to develop the skills and experience their local economy demands, and a positive work history. The Department of Children and Families pays to an employer or contractor 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. An individual may participate in the program for a maximum of 1,040 hours, which is equivalent to twenty six 40-hour weeks. Among the qualification requirements, the participants must be at least 18 and have a household income under 150% of the federal poverty line. 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. The department would use existing agency funds to run the program. The number of communities served would depend on available funding.

I ask that the committee support Assembly Bill 401, to expand the proven Transform Milwaukee Jobs program to areas of the state where workers will benefit the most. Thank you again for allowing me to testify in favor of this important piece of legislation.



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Governor Scott Walker  
Secretary Eloise Anderson  
Secretary's Office

Date: October 9, 2013

To: Members of the Assembly Committee on Workforce Development

From: Joan Hansen, Deputy Secretary, Department of Children and Families

Re: 2013 Assembly Bill 401 – Transitional Jobs

Chairwoman Loudenbeck and members of the Committee, thank you for the opportunity to testify in support of Assembly Bill 401 (AB 401) introduced at the request of Governor Walker and authored by Representative Weatherston.

I am Joan Hansen, Deputy Secretary, of the Department of Children and Families. With me is Kris Randal, Administrator, of the Division of Family and Economic Security.

Assembly Bill 401 allows the Department of Children and Families to create a new Transitional Jobs Program to serve cities or counties with high unemployment and high child poverty rates. The new program will be modeled after the Transform Milwaukee Jobs Initiative that passed in Governor Walker's most recent budget and is slated for implementation on January 1<sup>st</sup>. It will also incorporate best practices or "lessons learned" from the original Transitional Jobs pilot program that ended on June 30, 2013.

With this expansion of the Transitional Jobs program, the Department will continue to target low-income adults by providing them with an immediate income - and an opportunity to develop the skills and experience that their local labor market demands.

- Like Transform Milwaukee jobs and the previous transitional jobs program, a participating employer will receive a wage subsidy up to 40 hours per week at the minimum wage. The employer may also pay above the minimum wage – and may not have a participant for fewer than 20 hours per week.
- AB 401 requires individuals to be at least 18 years old to participate as is the case with Transform Milwaukee jobs, and, if over 24 years old, must be the parent or primary relative caregiver of a child under the age of 18. A worker may also be eligible for child care subsidies under the Wisconsin Shares program.
- A participant must not be eligible for Unemployment Insurance and may not be participating in Wisconsin Works.
- Provisions of AB 401 allow the Department to expand Transitional Jobs to geographic areas beyond Milwaukee County – based on funding that is available. I want to emphasize the Department will not use any funding that is currently slated for the Transform Milwaukee Jobs Initiative. The RFP was released last week and is designed with the current funding structure.

Wisconsin's Transitional Jobs program is unique. By design, vendors were given flexibility how to develop their own programs – whether it meant extensive skills development prior to obtaining an unsubsidized job – or a more aggressive immediate placement. No matter what the model has been, the intense focus is on people who traditionally have had the most difficult time landing a job - low income, non-custodial parents (mostly men/fathers not participating in W2 or UI and who have been unemployed for a significant amount of time) – those re-entering the workforce from a corrections setting – and in the future - teens aging out of the foster care/child welfare system.

In many cases, a transitional job provided these more barriered individuals with their first positive work experience – and helped them begin to build a work history. The majority in the program began with a subsidized job and subsequently obtained employment in an unsubsidized private sector – not necessarily with the employer they started with.

This “on the job training” provides the foundation or stepping stone to future employment. Preliminary evidence demonstrates that this workforce development strategy can help those hardest to place in employment make successful and lasting connections to the workplace.

One of Governor Walker's goals is to help move people from dependence to independence. Stable employment from transitional jobs helps provide a higher quality of life for working adults. With it comes increased self-sufficiency, a greater ability to care for one's family, the power to purchase goods and services, and the opportunity to make a more positive contribution to one's community. Long term, this is a financial boost for low-income families – and the economy as a whole.

Participants are not the only beneficiaries of the program. Businesses gain needed workers. During the recession for example, transitional jobs allowed businesses that wanted to either stay open or expand -but could not immediately hire and pay new employees due to reduced revenue or reduced access to short-term credit lines - to hire TJ employees at lower costs. This created jobs and kept businesses open. Interestingly, we also know that 63% of employers interviewed about their participation in the program created a new job – specifically for a transitional job participant.

We believe this trend will continue – and the reason we believe it is so important to begin to have the option to expand transitional jobs to other communities.

We are eager to build upon the successful Transitional Jobs pilot program – and improve upon it. Governor Walker's goal is to help connect the unemployed with the needed skills and work experience to transition into long-term employment. Transitional jobs helps with this goal.

We look forward to working with you on this legislation and would be happy to address your questions.

Thank you for the opportunity to appear before your committee.

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Scott Walker, Governor  
Reginald J. Newson, Secretary

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**Assembly Committee on Workforce Development  
Assembly Bill 401, Transitional Jobs Program**

**October 9<sup>th</sup>, 2013**

**Testimony provided by Jonathan Barry, Deputy Secretary**

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Chairperson Loudenbeck and members of the Assembly Committee on Workforce Development:

I am Jonathan Barry, Deputy Secretary of the Department of Workforce Development and I appear before you today to speak in favor of Assembly Bill 401.

As you know, Governor Walker's focus has been on making life better for the residents of our state by growing our economy, developing our workforce, transforming education, reforming government, and investing in our infrastructure. Our budget invested over \$100 million in workforce development aimed at equipping workers with the skills they need to find jobs in the modern workforce. These workforce initiatives chart a bright course for Wisconsin's future. Now we are building on that investment with workforce priorities that will continue to further those goals.

This piece of legislation, part of Governor Walker's ongoing commitment to developing the workforce in Wisconsin, reinstates the successful Transitional Jobs program administered by the Department of Children and Families. The program was established to provide low income adults with an immediate income, an opportunity to develop the skills and experience their local labor market demands, and a positive work history.

The Transitional Jobs program is proven to provide a gateway to participants towards building a career as well as creating more financial security for Wisconsin families. This assistance creates a sustainable pathway to workers who are most in need by allowing them to gain valuable work experience, develop a work history, and earn a reference from an employer.

Additionally, the Transitional Jobs program also provides security to Wisconsin businesses by providing willing, able and reliable workers that allow them to either sustain or expand their business when they cannot immediately hire and pay new employees due to reduced revenue or

reduced access to short-term credit lines. By assisting businesses sustain activity, the Transitional Jobs program is a true economic engine proven to improve the Wisconsin economy.

The Transitional Jobs Demonstration Project ended in June of this year. Its successor, the Transform Milwaukee Jobs program, was created in the biennial budget targeted to Milwaukee.

This bill would allow the Department of Children and Families to create a new Transitional Jobs Program to serve cities or counties with high unemployment and/or child poverty rates. The department would use existing agency funds to run the program. The number of communities served would depend on available funding.

In conclusion, AB 401 demonstrates Governor Walker's commitment to creating jobs in Wisconsin. Transitional Jobs are a win for workers by helping them build a work history and providing additional income for their families, a win for business by providing a valuable pipeline of willing and able workers who are committed to helping themselves and their employer, and a win for Wisconsin's state and local economies.

I would be happy to answer any questions they committee may have at this time.

**Presentation to  
Committee on Workforce Development  
October 9, 2010**

Good morning Chairwoman Loudenbeck and members of the committee. Thank you for the opportunity to speak in support of Assembly Bill 401 relating to a Transitional Jobs program.

My name is Bob Borremans and I am the chief executive officer of the Southwest Wisconsin Workforce Development Board. SWWDB is a regional entity that coordinates and delivers workforce development services across a six-county region, including Grant, Green, Iowa, Lafayette, Richland and Rock Counties with funding received from the federal Workforce Investment Act (WIA).

As you know, the region I serve, specifically Rock County, has been particularly hard hit during the past five years by a workforce “Perfect Storm” – closure of area’s largest employer – the General Motors Assembly Plant, a local economy rocked by the recession resulting in ongoing high unemployment, and a workforce skills mismatch creating a gap between the skills workers possess and the abilities needed by employers in the 21<sup>st</sup> century. A variety of partner organizations have been diligent over the past 5 years and worked hard to address these issues. Things are beginning to improve, but there is still a long way to go to reach pre-recession conditions.

One of the successful programs that operated in Beloit during this time was a transitional jobs program run by Community Action, Inc. Because of the close collaboration between our organizations, I have personally observed the success achieved by that program – the pride of accomplishment and satisfaction attained by participants who are working, often for the first time, and the positive involvement of employers who felt they were not only actively engaged in addressing their employee skill development needs, but involved in helping a person realize something that is personally meaningful. Unfortunately, that program closed when funding ended.

I would like to openly state my strong support for the concepts of the transitional jobs program. It is a good way to help workers, primarily young workers, with low skill-levels and limited or no work history learn and demonstrate job competencies through real work experience. I am a proponent of “learning by doing” and the transitional jobs program allows a job seeker to gain occupational skills on the job and demonstrate those competencies through practical application by actually doing the job. It also gives the employee the opportunity to exhibit the personal decision-making and work readiness “soft skills” so important to successfully retain a job.

Employers also benefit in a transitional jobs program. First it creates a positive environment for job growth and an incentive for hiring that I think is important when an employer is taking a risk on hiring a person with barriers to employment success. It also provides an extended timeframe to

observe and work with the individual, and to gain confidence in the worker's ability to perform the job successfully. I firmly believe that a transitional jobs program that is employer-led and involves private sector businesses as part of a job skills development initiative can be successful in building a workforce with the skills needed by employers.

Since the Community Action transition job program ended, SWWDB and Community Action have been working with Manpower, Inc.; the AT&T Foundation and four private sector employers in Beloit on a new job development and training program called Work Today. Work Today is a unique venture that encourages job growth by moving low-income job seekers with limited work experience into meaningful employment. This effort creates a job specific "model employee" profile using a standardized assessment tool. Those job seekers who fit a employee profile are enrolled in work readiness and short-term occupational skill training, given enhanced job placement, and "hired" for an on-the-job work experience paid by the employers. Throughout the program participants receive ongoing job coaching and support services.

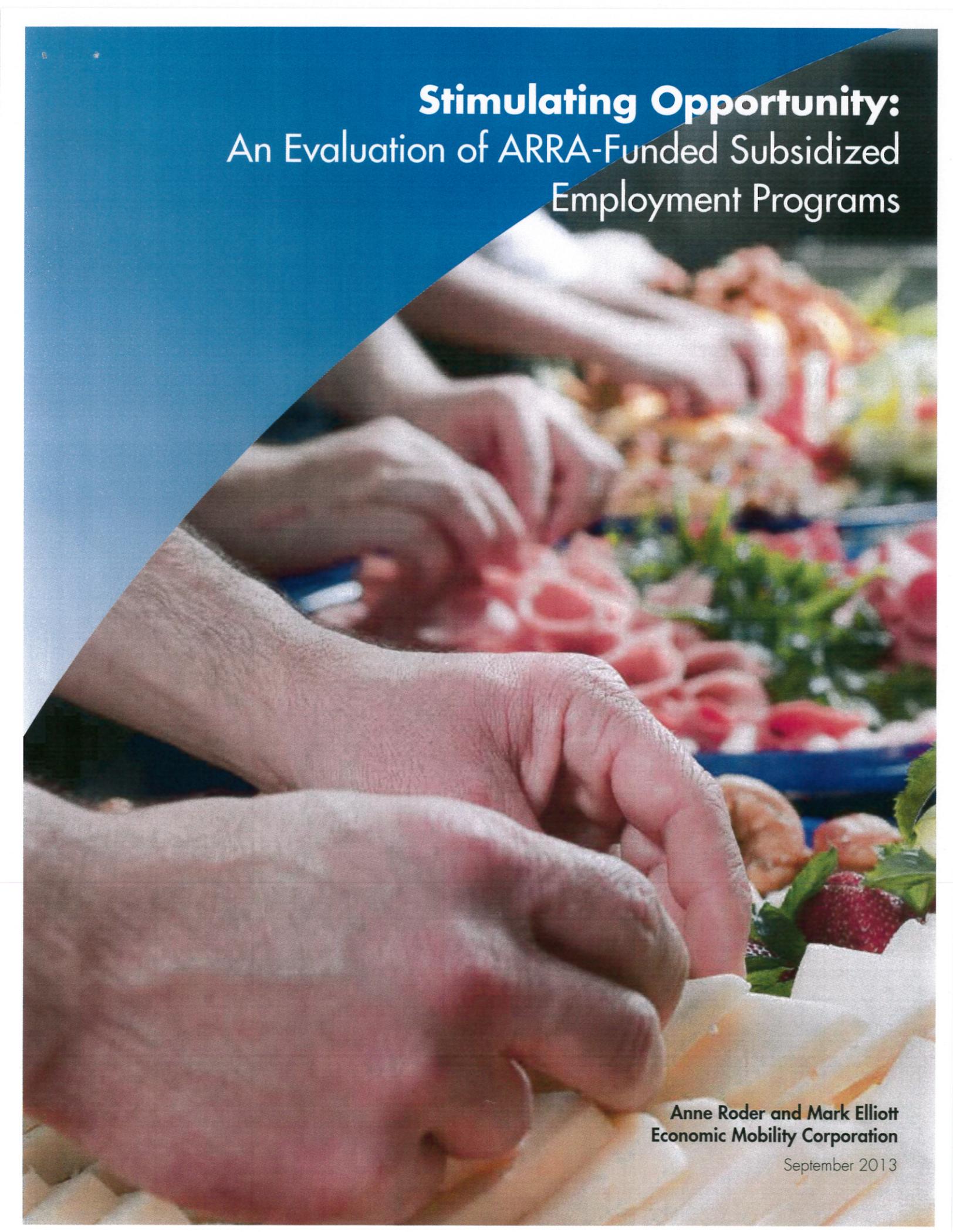
Skill training is provided by Manpower using the more than 6,000 short-term, employer certified training courses in their system, and is tailored to the job skills needs identified by the employer. This program is employer-led and seeks to provide training for open jobs within the participating companies. Each employer pays a participation fee and training focuses on the skills needed for jobs in their company.

I would also like to express support for the provisions in the bill that would allow for the expansion of the Transitional Jobs program to other geographic areas outside of Milwaukee County. While I understand the need to address the issues in the Milwaukee area, I would urge you to consider making the program available to other regions that are experiencing high unemployment and poverty. People in these areas have the same workforce and skill barriers that limit employment success – these types of barriers cut across geographic boundaries.

I would be remiss if I did not suggest that Rock County, in particular the city of Beloit, is an area where a transitional job program is needed. Rock County has a child poverty rate of 20.8% which more than a 1.5% higher than the Wisconsin rate. Beloit, according to the latest Department of Public Instruction data, has free or reduced price school meal eligibility rate of 78.9% trailing only the 83.5% rate for the Milwaukee school system.

Unemployment in Rock County has gradually declined since July 2008 but this a more result of people leaving the workforce rather than real employment gains. Rock County has 5,200 fewer workers employed in July 2013 compared to July 2008. Unemployment in Rock County is 7.9% over 1 point higher than the state average of 6.8%. In Beloit, the July unemployment was 11.2%, exceeding both the state and national averages. Clearly, you can see that Rock County and the city of Beloit possess many of the issues and barriers experienced by Milwaukee and just as obviously they would benefit from a this transitional jobs initiative.

In closing, let me reassert my support for the concept of this transitional jobs program and urge you to approve AB 401. Further, I encourage you to consider ways to expand this very worthy program into other regions of the state.



# **Stimulating Opportunity:** An Evaluation of ARRA-Funded Subsidized Employment Programs

**Anne Roder and Mark Elliott**  
**Economic Mobility Corporation**

September 2013

the age of 30 (see [Figure 4.10](#)). About one-third (34 percent) were non-custodial parents, and 39 percent were convicted felons. A higher percentage of participants in Wisconsin (62 percent) were among the long-term unemployed when they enrolled in the program than those in Florida and Mississippi. Annual earnings among all TJ participants were only \$1,966 during the year prior to starting the program.

**Figure 4.10** Wisconsin TJ Program Participant Characteristics

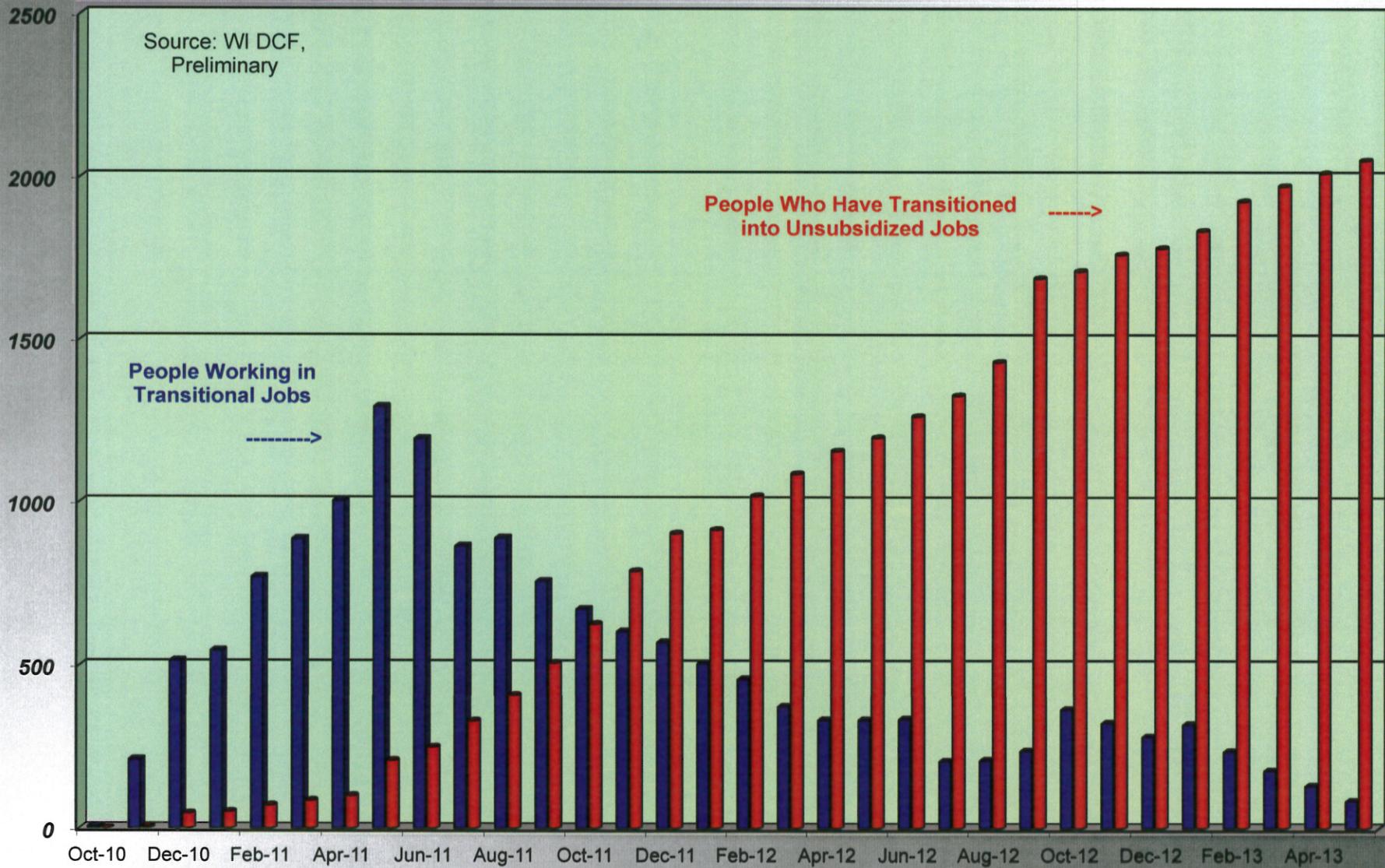
<b>Gender</b>	
Female	37%
Male	63%
<b>Race</b>	
White	23%
African American/Black	66%
Other	5%
Hispanic	6%
<b>Age</b>	
Under 30	49%
30 to 39	31%
40 to 49	16%
50 and over	4%
<b>Noncustodial parent</b>	34%
<b>Felony conviction</b>	39%
<b>Long-term unemployed</b>	62%
<b>Average annual earnings in the year before program entry</b>	\$1,966

## The TJ Program Subsidized Jobs

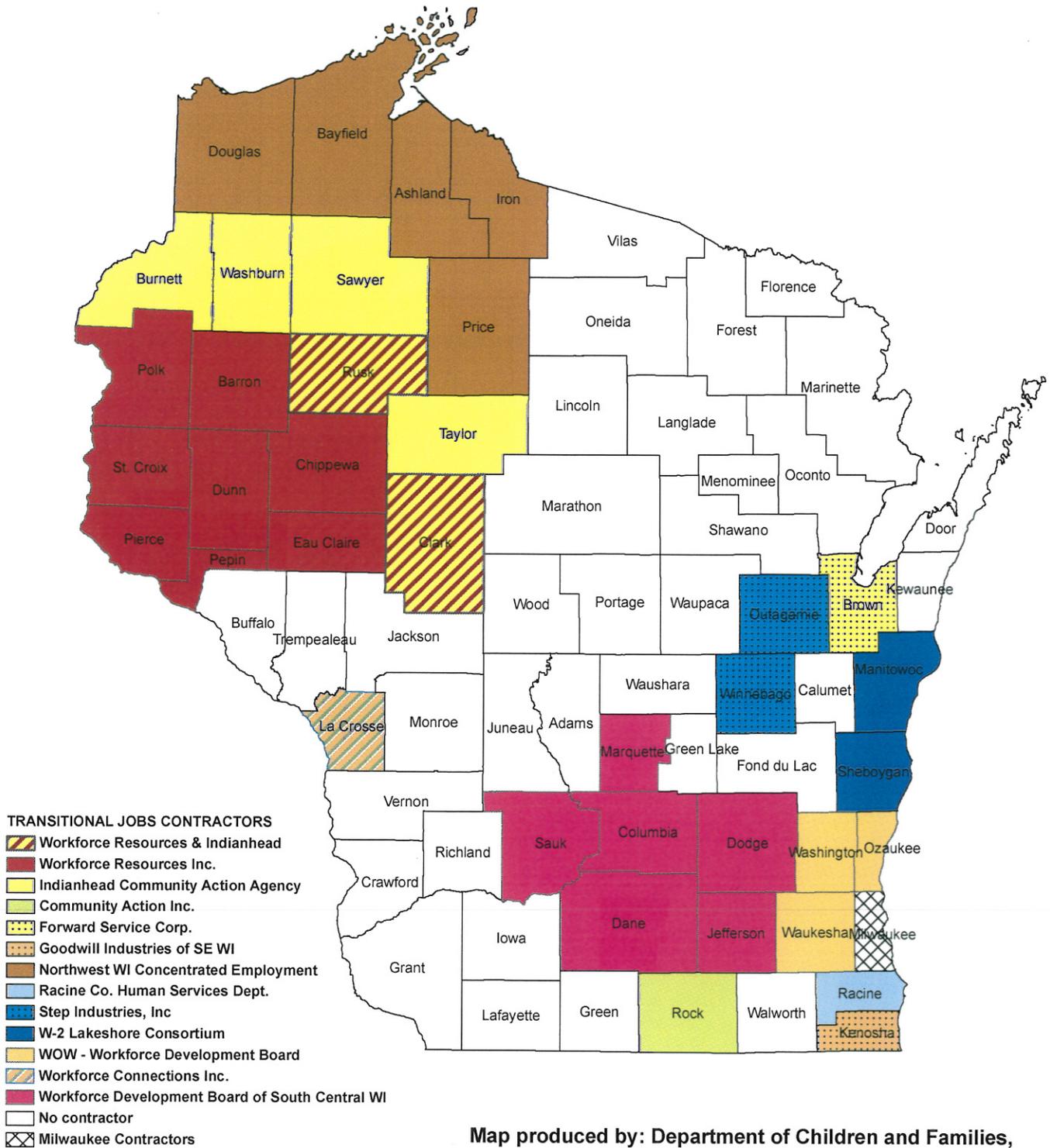
The TJ contractors placed participants with for-profit, non-profit and public employers. Participants in the TJ program were paid the minimum wage—\$7.25 an hour—in their subsidized jobs. Employers could choose to supplement the wage if they wanted to pay the workers more, but program staff reported that this was not common.<sup>12</sup> Participants could work in subsidized jobs for up to 1,040 hours—the equivalent of six months on a full-time schedule.

Most participants (91 percent) worked in one subsidized position. The average time in a subsidized job was four months. About half of participants (52 percent) were in a subsidized position for three months or less, and 13 percent held a subsidized position for more than six months. About half (52 percent) were placed in subsidized jobs with non-profit agencies, 44 percent with for-profit firms, and 4 percent with government agencies. Nineteen percent of participants worked in subsidized positions at the contractor operating the TJ program.

**Wisconsin Department of Children and Families**  
**Transitional Jobs Demonstration Project**



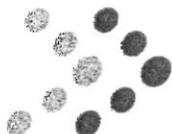
# Transitional Jobs Contractors January 2011



Map produced by: Department of Children and Families,  
Division of Family and Economic Security

Goodwill Industries of Southeast Wisconsin  
Policy Studies Inc.  
Milwaukee Careers Cooperative  
UMOS  
Milwaukee Area Workforce Investment Board  
Silver Springs Neighborhood Center  
Step Industries Inc.

Printing Date: Monday, January 24, 2011  
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Prepared By: Klein, P  
DCF Department of Children and Families  
Title: Transitional Jobs Contractors



## MILWAUKEE WORKS! TRANSITIONAL JOBS PROGRAM

### END of PROGRAM REPORT

August 2010 to January 2013

#### Overview

Milwaukee Works! is a collaborative partnership comprised of the Milwaukee Area Workforce Investment Board (MAWIB), Community-Relations-Social Development Commission (CR-SDC), the YWCA of Greater Milwaukee and a host of Community Based and Faith Based Organizations. This partnership is a Job Demonstration Project from the Department of Children and Families, that provided a limited number of paid work experience opportunities called Transitional Jobs to LOW INCOME adults that meet certain eligibility criteria.

#### Outcome Highlights

There were 3 phases of Milwaukee Works! Transitional Jobs Program.

Orientation Phase: MAWIB, YWCA and SDC provided at minimum 20 hours of Job Readiness Training (JRT)

Subsidized Employment Phase: Transitional Job Workers earned \$7.25 an hour, on average of 30-40 hours a week. Participants were able to work a maximum of 1040 hours of subsidized employment.

Follow-up Phase: Participants received up to six months of follow-up services. During this time participants were able to receive 30-Day and 90-Day retention bonuses for private sector employment.

#### Outcome Highlights:

- 1121 applications were received
- Over 50% of applicants were served in the Transitional Jobs Program
- 605 Transitional Job applicants participated in JRT
  - 547 of those completed JRT and participated in subsidized employment
  - 58 of those declined subsidized employment (mostly for private sector opportunities)
- 547 Transitional Job Participants entered into the Subsidized Employment Phase (90%)
  - 285 successfully completed the Subsidized Employment Phase (52%)
  - 187 of the 285 completed 1040 hours (66%)
- 169 worksites offered subsidized employment opportunities for Transitional Job Workers
  - 53 Transitional Jobs Worksites hired Transitional Job participants in unsubsidized positions
- 284 Transitional Job Participants obtained employment in the private sector (52%)
  - 135 of the 284 private sector jobs were secured by the Transitional Job (48%)
  - 105 of the 284 were hired by their Transitional Job Host Site (37%)
- 46 Transitional Job Participants earned a total of 83 Credentials during their subsidized employment, which enhanced their employability skills

#### Transitional Jobs Demographics:

- 280 out of 547 Participants that participated in subsidized employment had been convicted of a felony or misdemeanor (51%)
- 130 females (24%) and 417 males (76%)
- Primary Race: 509 African American (93%), 12 Hispanic (2%), 11 Caucasian (2%), 15 Other Race (3%)

#### Program Highlights

The Milwaukee Area Workforce Investment Board hosted a Jobs fair on March 30, 2012 for the Milwaukee Transitional Jobs Collaborative. The job fair was well attended by more than 742 job seekers and 32 various employers with over 550 employment opportunities.