



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #199

Transform Milwaukee Jobs Program (Children and Families -- Economic Support and Child Care)

[LFB 2013-15 Budget Summary: Page 111, #7]

CURRENT LAW

Provisions of 2009 Wisconsin Acts 28 and 333 required the Department of Children and Families (DCF) to conduct a demonstration project that offers jobs to low-income adults. DCF was required to promulgate rules for the operation of the demonstration project. Pursuant to these rules, the transitional jobs demonstration project is described below.

Eligibility for Individuals. An individual may be eligible to participate in the transitional jobs demonstration project only if the individual: (a) is at least 21, but not more than 64, years of age; (b) is not eligible to receive assistance under Wisconsin Works (W-2); (c) has been unemployed for at least the four prior calendar weeks; (d) is not eligible to receive unemployment insurance benefits; and (e) has an annual household income below 150% of the federal poverty level.

In addition, if the funding source for the transitional jobs demonstration project is the temporary assistance for needy families (TANF) block grant, then the individual must also be: (a) less than 25 years of age; or (b) a biological parent, adoptive parent, or primary relative caregiver of a child under the age of 18.

Duration and Employer Requirements. Individuals may participate in a transitional job for a maximum of 1,040 hours. A participant may be placed with a host employer or as part of a work crew that goes to different work sites under the supervision of the contractor. A contractor is an entity that has been awarded a contract with DCF for the operation of a transitional jobs program. A host is an entity providing a transitional job work site and day-to-day supervision of a participant.

A contractor may provide a participant with economic and non-economic incentives and supports, including training stipends, uniform allowances, assistance in obtaining a driver's license, parenting support groups, earnings supplements, and retention bonuses. These incentives and supports must help a current or former participant with activities and resources to assist in a participant's search for unsubsidized employment. Finally, a contractor must monitor a former participant during his or her first six months of unsubsidized employment to aid with job retention and advancement, unless the contract with DCF has ended.

A host assigns a supervisor to oversee the participant's daily responsibilities, assist with the completion of time sheets, and communicate with the contractor regarding any issues arising in the workplace and in developing basic skills, appropriate work habits, a positive work history, and longer-term career participation. A host may hire a participant as a regular employee at any time during or after the term of the transitional job.

Wage Subsidies and Other Reimbursements. The contractor must employ the participant for a minimum of 20 hours per week and a maximum of 40 hours per week and pay the participant for actual hours worked at not less than the minimum wage. The contractor must also pay the employer's share of federal social security and Medicare taxes, unemployment insurance contributions or taxes, if any, and worker's compensation insurance premiums, if any.

DCF must reimburse a contractor for all of the following costs incurred by the contractor that are attributable to employment of a participant: (a) wages paid to the participant at minimum wage for each hour actually worked; (b) the employer's share of federal social security and Medicare taxes; (c) state and federal unemployment contributions or taxes, if any; and (d) worker's compensation insurance premiums, if any.

DCF may also reimburse a contractor for expenditures related to operating the demonstration project, such as costs of orientation, supervision, training, and providing job supports to current and former participants.

Limitations. The employment of a transitional worker cannot 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 a transitional worker; (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; or (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.

Sunset Provision. A provision under 2011 Wisconsin Act 32 specified the sunset date of the transitional jobs demonstration project to be June 30, 2013.

GOVERNOR

Provide \$4,506,200 FED in 2013-14, \$6,680,700 FED in 2014-15, and 1.0 FTE FED position, beginning in 2013-14, to establish the transform Milwaukee jobs program for low-

income adults in Milwaukee County. Of these amounts: (a) \$75,000 in 2013-14 and \$91,100 in 2014-15 would support 1.0 position, beginning in 2013-14, to administer the program in DCF; (b) \$681,200 in 2013-14 and \$1,589,600 in 2014-15 would provide funding for child care subsidies under the Wisconsin Shares program for participants who needed child care; and (c) \$3,750,000 in 2013-14 and \$5,000,000 in 2014-15 would support wage subsidies and other reimbursements to employers who participate in the program.

Eligibility for Individuals. Require an individual to satisfy the following criteria in order to be eligible to participate in the transform Milwaukee jobs program: (a) be at least 18 years of age; (b) if over age 24, be a biological or adoptive parent of a child under age 18 whose parental rights to the child have not been terminated or be a relative and primary caregiver of a child under age 18; (c) have an annual household income below 150% of the federal poverty line; (d) be unemployed for at least four weeks; (e) be ineligible to receive unemployment insurance benefits; and (f) not be participating in a W-2 employment position.

In addition, for individuals who are transitioning from foster care to independent living, require household income to be based on the individual's own income over a period of time determined by DCF. Prohibit inclusion of the income of the individual's foster parents in determining household income.

Authorize DCF to establish additional eligibility criteria consistent with its mission and the funding available.

Duration and Employer Requirements. Authorize an individual to participate in the program for a maximum of 1,040 hours. Require DCF to determine and specify in a contract whether a contractor or an employer is the individual's employer of record. Require the employer of record to pay the individual for hours actually worked at not less than the federal or state minimum wage that applies to the individual.

Authorize DCF to contract with any person to administer the transform Milwaukee jobs program, including a W-2 agency, a county department, a local workforce development board, or a community action agency. Require DCF, or an agency or agencies under contract with DCF, to 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 DCF; (c) conduct job orientation activities; (d) provide employment services, as specified by DCF, for program participants; and (e) maintain and update participant demographic, eligibility, and employment records in the manner required by DCF.

Authorize DCF to set priorities for the program consistent with its mission and funding.

Wage Subsidies and Other Reimbursements. Authorize DCF to reimburse an employer or contractor for a minimum of 20 hours per week, at a location in the 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; and (d) worker's compensation insurance premiums, if any.

In addition, authorize the employer or, subject to DCF's approval, contractor to pay an individual an amount that exceeds the wage subsidy.

Limitations. Prohibit the employment of an individual from having 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 program, filling a position when any other person is on layoff or strike, or engaged in a labor dispute regarding, the same or a substantially equivalent job within the same organizational unit.

Eligibility for Wisconsin Shares. Specify that participation in the transform Milwaukee jobs program is an eligible activity for which an individual may receive a child care subsidy.

Overpayment Recovery. Authorize DCF to recover from any individual participating, or who has participated, in the transform Milwaukee jobs program any overpayment resulting from a misrepresentation regarding the eligibility criterion made by the individual.

Require DCF to recover any overpayment from a contractor that results from the failure of the contractor to comply with the terms of the contract or to meet performance standards established by DCF.

Exemption from the Rules Process. Specify that DCF need not promulgate regulations, standards, or policies related to implementing or administering the transform Milwaukee jobs program under the standard rules process.

DISCUSSION POINTS

Transitional Jobs Demonstration Project

1. In November of 2010, DCF issued a manual that described policy guidelines for the transitional jobs demonstration project. According to the manual, there are three goals for the demonstration project: (a) to provide transitional workers with subsidized transitional jobs based on labor market demand and provide immediate income; (b) to improve job skills and establish a positive work reference; and (c) to transition individuals into stable unsubsidized employment.

2. Participation in the transitional jobs demonstration project is divided into four phases: (a) eligibility determination; (b) orientation; (c) subsidized transitional jobs; and (d) unsubsidized employment. Once found eligible and accepted into the demonstration project, individuals enter the orientation phase. The contractors create an initial employment plan for each individual during this phase, based on an assessment of the individual's goals and aspirations. Education, training, and other job supports may be provided during this phase. In addition, contractors must pay a stipend to individuals participating in the orientation phase.

3. After orientation, individuals move into the subsidized work phase, which provides individuals with jobs, immediate income, job skills needed for unsubsidized employment, and a recent work reference. Subsidized work may be through a host site or a work crew. Individuals placed at a host site work under the supervision of a supervisor employed by the host site. Work crews are groups of participants under the supervision of a supervisor employed by the contractor or otherwise arranged by the contractor. Work crews may travel to several sites to accomplish specific projects or perform specific tasks.

4. Education and training may be provided during the subsidized work phase, and participants must be paid for the hours they participate in these activities. In addition, contractors must help the participant complete the subsidized work phase by: (a) mediating workplace conflicts; (b) providing job supports; and (c) assessing problems and referring participants to the appropriate resources. Contractors must also help the participant find and secure unsubsidized employment.

5. Finally, the unsubsidized employment phase supports job retention and advancement following the transition from subsidized work to unsubsidized employment. Contractors are responsible for assisting participants in finding and securing unsubsidized employment for a minimum of three months following successful completion of the subsidized job phase. Contractors must monitor the participant and provide on-going support for six months after unsubsidized employment is obtained, as long as the contract with DCF still exists.

6. The transitional jobs demonstration project began in September of 2010 and will end on June 30, 2013. There have been over 200 types of jobs that participants have been placed in. Some examples include accounting assistant, barber, carpenter, factory worker, plumber, tow truck driver, tree trimmer, and wait staff. Through March 31, 2013, there have been 882 businesses and organizations that have served as a transitional job site. Of these, 448 employers were located in Milwaukee County.

7. Table 1 shows the contractors in the non-Milwaukee areas, along with the total number of participants who enrolled and participated in orientation activities, the total number of participants who were placed in a subsidized job, and the total number of participants who obtained unsubsidized employment. The table also shows the percent of the total participants who obtained unsubsidized employment.

TABLE 1**Transitional Jobs Participants in Non-Milwaukee Counties
Through March, 2013**

<u>Contractor</u>	<u>Enrolled and Participated in Orientation</u>	<u>Placed in Subsidized Job</u>	<u>Obtained Unsubsidized Employment</u>	<u>% Obtained Unsubsidized Employment</u>
Community Action, Inc.	151	143	43	28.5%
Forward Service Corp.	84	51	35	41.7
Indianhead Community Action Agency	163	127	118	72.4
Lakeshore Consortium -- Sheboygan County	43	43	19	44.2
Northwest Wisconsin Concentrated Employment Program	53	48	15	28.3
Racine County Human Services Department Workforce Development Board of South Central Wisconsin	109	98	57	52.3
Workforce Connections, Inc.	228	177	154	67.5
Workforce Resources, Inc.	33	32	11	33.3
Workforce Resources, Inc.	184	113	93	50.5
WOW Workforce Development, Inc.*	<u>140</u>	<u>108</u>	<u>65</u>	46.4
Total	1,188	940	610	51.4%

*Waukesha, Ozaukee, and Washington Counties--served some Milwaukee County participants.

8. As shown in Table 1, 51.4% of participants who enrolled in the transitional jobs program and participated in orientation in non-Milwaukee areas obtained unsubsidized employment. Table 2 shows the same information for the Milwaukee area. In Milwaukee, 47.2% of participants who enrolled in the transitional jobs program and participated in orientation obtained unsubsidized employment.

TABLE 2**Transitional Jobs Participants in Milwaukee County
Through March, 2013**

<u>Contractor</u>	<u>Enrolled and Participated in Orientation</u>	<u>Placed in Subsidized Job</u>	<u>Obtained Unsubsidized Employment</u>	<u>% Obtained Unsubsidized Employment</u>
Goodwill Industries of Southeast Wisconsin*	619	527	174	28.1%
Milwaukee Area Workforce Investment Board	605	547	284	46.9
Milwaukee Careers Cooperative	61	39	37	60.7
Policy Studies, Inc./MAXIMUS	637	339	346	54.3
Silver Spring Neighborhood Center	113	103	74	65.5
Step Industries	45	45	30	66.7
United Migrant Opportunity Services (through May, 2012)	410	382	267	65.1
United Migrant Opportunity Services (beginning June, 2012)**	<u>394</u>	<u>372</u>	<u>149</u>	37.8
Total	2,884	2,354	1,361	47.2%

*Includes Kenosha program data.

**New allocation and subcontractors, beginning June, 2012.

9. The total amount spent on the transitional jobs program through February, 2013, is \$26.0 million. Table 3 shows expenditures in the non-Milwaukee areas for administration, wages, and other costs. Administrative costs are 9.9% of total costs, and wages are 57.1% of total costs. Other costs include expenditures related to support services, described under "Current Law," provided by the contractors and some of the agency staff costs that are not allowable administrative expenses under TANF rules and regulations.

TABLE 3**Transitional Jobs Expenditures in Non-Milwaukee Counties
Through February, 2013**

<u>Contractor</u>	<u>Administration</u>	<u>Wages</u>	<u>Other</u>	<u>Total</u>
Community Action, Inc.	\$93,844	\$620,567	\$245,580	\$959,991
Forward Service Corp.	33,933	274,699	125,537	434,169
Indianhead Community Action Agency	92,097	629,399	196,013	917,509
Lakeshore Consortium -- Sheboygan County	27,261	184,143	22,848	234,252
Northwest Wisconsin Concentrated Employment Program	43,417	239,234	114,903	397,554
Racine County Human Services Department	36,154	439,613	266,513	742,280
Workforce Development Board of South Central Wisconsin	94,881	769,283	481,551	1,345,715
Workforce Connections, Inc.	22,731	107,843	154,102	284,676
Workforce Resources, Inc.	155,284	377,493	502,450	1,035,227
WOW Workforce Development, Inc.	<u>128,114</u>	<u>537,174</u>	<u>308,408</u>	<u>973,696</u>
Total	\$727,716	\$4,179,448	\$2,417,905	\$7,325,069
Percent of Total Funding	9.9%	57.1%	33.0%	

10. Table 4 shows the same expenditures for contractors in the Milwaukee area. Wages are a much higher percentage of total costs at 65.9%, but administrative costs are also a bit more at 11.5 % of total costs.

TABLE 4**Transitional Jobs Expenditures in Milwaukee County
Through February, 2013**

<u>Contractor</u>	<u>Administration</u>	<u>Wages</u>	<u>Other</u>	<u>Total</u>
Goodwill Industries of Southeast Wisconsin	\$321,588	\$ 2,154,058	\$1,240,398	\$3,716,044
Milwaukee Area Workforce Investment Board	765,117	3,272,175	1,063,486	5,100,778
Milwaukee Careers Cooperative	15,876	123,239	47,629	186,744
Policy Studies, Inc./MAXIMUS	324,857	2,495,227	278,561	3,098,645
Silver Spring Neighborhood Center	67,421	557,532	208,580	833,533
Step Industries	26,187	235,575	136,481	398,243
United Migrant Opportunity Services	<u>634,148</u>	<u>3,494,363</u>	<u>1,237,479</u>	<u>5,365,990</u>
Total	\$2,155,194	\$12,332,169	\$4,212,614	\$18,699,977
Percent of Total Funding	11.5%	65.9%	22.5%	

11. The cost per participant varies depending on whether "participant" is an individual who enrolled and participated in orientation, is an individual who completed orientation and was placed in a subsidized transitional job placement, or is an individual who obtained an unsubsidized

job. As of February, 2013, for non-Milwaukee counties, expenditures indicate the average cost per participant as follows: (a) \$6,171 per individual who had enrolled and participated in orientation; (b) \$7,834 per individual who had completed orientation and was placed in a subsidized transitional job; and (c) \$12,394 per individual who had obtained unsubsidized employment. The amount under (a) is helpful to determine the costs of per individual who had applied, been found eligible, and participated in orientation. Presumably, though, the costs for individuals who left the program before being placed in a subsidized job are much lower. Therefore, it may be more beneficial to look at the amount under (b) to gauge the costs per individual of the program. However, if success is measured by how many participants obtain unsubsidized employment, then the amount under (c) is a good measure of the costs of the program.

12. In the Milwaukee area, the average cost per participant as of February, 2013, is as follows: (a) \$6,495 per individual who had enrolled and participated in orientation; (b) \$7,944 per participant who had completed orientation and was placed in a subsidized transitional job; and (c) \$14,028 per individual who had obtained unsubsidized employment.

Transform Milwaukee Jobs Program

13. The bill would implement a new program, the transform Milwaukee jobs program, which is similar to the transitional jobs demonstration project. DCF indicates that the framework for the four phases, described above under "Transitional Jobs Demonstration Project," would continue under the transform Milwaukee jobs program. However, the transform Milwaukee jobs program would be limited to Milwaukee County. In addition, DCF would be authorized, rather than required, to reimburse an employer or contractor for the costs that are attributable to employment of an individual under the program (wages, federal social security and Medicare taxes, unemployment contributions or taxes, and worker's compensation insurance premiums).

14. Other differences include: (a) the age limit to be eligible for the program would be 18, rather than 21; (b) in determining eligibility, income for individuals transitioning from foster care to independent living would be based on the individual's own income, rather than the income of the foster parents; (c) participants who have children would be eligible for a child care subsidy; and (d) DCF could recover overpayments from participants who misrepresent eligibility and would be required to recover overpayments from employers who fail to comply with the contract or meet performance standards.

15. Further, under the transitional jobs demonstration project, a contractor is authorized to provide training stipends, uniform allowances, assistance in obtaining a driver's license, parent support groups, earnings supplements, and retention bonuses. Contractors also mediate workplace conflicts, assess problems, refer participants to the appropriate resources, and help participants find and secure unsubsidized employment. Under the transform Milwaukee jobs program, a contractor could provide the same services, but its required responsibilities would be specified in statute. A contractor (or DCF) would be required to determine eligibility, provide jobs, identify employers to provide jobs, provide employment services, and maintain and update demographic, eligibility, and employment records.

16. Finally, the transitional jobs demonstration project is for individuals who were not

eligible for the Wisconsin Works (W-2) program. Therefore, participants include noncustodial parents, individuals released from incarceration, individuals with income between 115% and 150% of the federal poverty level, and other individuals who have employment skills but have a difficult time obtaining employment. Under the transform Milwaukee jobs program, a participant could be eligible for W-2, but not participating in W-2. Therefore, the participants could include more low-income custodial parents than the transitional jobs demonstration project did.

17. Proponents of transitional jobs programs indicate that in addition to benefiting low-income adults, businesses are provided with needed workers at little risk or expense to the business. For businesses that either want to remain in business or expand, but do not have the resources to hire and pay new employees due to reduced revenue or reduced access to short-term credit lines, a transitional jobs program provides a short-term solution. These businesses may then be put in a better position to hire more permanent employees.

18. Some have argued, however, that the transitional jobs programs provide an unfair advantage to those businesses that participate by providing heavily subsidized labor not available to all businesses that need help during difficult economic times. These same arguments would also apply to the transform Milwaukee program. Milwaukee area businesses could benefit with the resources provided under the program with subsidized employees to better position themselves to hire more employees in the future. On the other hand, the program would now be limited to Milwaukee County, so it could provide an unfair advantage to businesses in the Milwaukee area.

Options for the Transform Milwaukee Jobs Program

19. The bill would provide \$4,506,200 FED in 2013-14, \$6,680,700 FED in 2014-15, and 1.0 FTE FED position, beginning in 2013-14, to establish the transform Milwaukee jobs program for low-income adults in Milwaukee County. Of these amounts: (a) \$75,000 in 2013-14 and \$91,100 in 2014-15 would support 1.0 position, beginning in 2013-14, to administer the program in DCF; (b) \$681,200 in 2013-14 and \$1,589,600 in 2014-15 would provide funding for child care subsidies under the Wisconsin Shares program for participants who needed child care; and (c) \$3,750,000 in 2013-14 and \$5,000,000 in 2014-15 would support wage subsidies and other reimbursements to employers who participate in the program.

20. DCF indicates that the 1.0 FTE position is a human services area coordinator, who would administer the program at the state level. Funding would support: (a) salary (\$34,500 in 2013-14 and \$45,600 in 2014-15); (b) fringe benefits (\$15,500 in 2013-14 and \$20,500 in 2014-15); and (c) supplies and services (\$25,000 annually). Funding in 2013-14 is for a nine-month period. It is assumed that the position would begin October 1, 2013. The supplies and services amount is the average administrative cost per full-time employee that DCF anticipates during the 2013-15 biennium.

21. The bill would specify that participation in the transform Milwaukee jobs program is an eligible activity for which an individual may receive a child care subsidy. The bill would provide \$681,200 in 2013-14 and \$1,589,600 in 2014-15 for child care subsidies for transform Milwaukee jobs program participants. This estimate assumes a caseload of 938 in 2013-14 and 1,563 in 2014-15.

22. However, the bill provides \$3,750,000 FED in 2013-14 and \$5,000,000 in 2014-15 for employer reimbursements related to transform Milwaukee job placements. DCF indicates that this level of funding would only support 484 participants in 2013-14 and 645 participants in 2014-15 at an average cost per placement of \$7,750.

23. The Committee could approve the Governor's proposal and provide \$4,506,200 FED in 2013-14, \$6,680,700 FED in 2014-15, and 1.0 FTE FED position, beginning in 2013-14, to establish the transform Milwaukee jobs program for low-income adults in Milwaukee County (Alternative 1). During the economic recovery, it may be beneficial to continue a transitional jobs program in Milwaukee County to continue to assist individuals in obtaining unsubsidized employment.

24. However, as noted in paragraph #12, in the Milwaukee area, the average cost per individual placed in a subsidized transitional job was \$7,944. Using this higher average cost per individual, there could be 472 participants in 2013-14 and 629 participants in 2014-15. Using this caseload for the child care subsidy costs, the Committee could reduce funding for the Wisconsin Shares program by \$337,800 FED in 2013-14 and \$901,400 FED in 2014-15 to reflect the lower number of participants that could be funded with \$3,750,000 in 2013-14 and \$5,000,000 in 2014-15 (Alternative 2).

25. On the other hand, with the amount of total funding provided under the bill, a caseload of 511 in 2013-14 and 731 in 2014-15 could be funded for participation in the transform Milwaukee program and for child care subsidies under Wisconsin Shares. The Committee could specify that of \$4,506,200 in 2013-14 and \$6,680,700 in 2014-15, the funds would be allocated as follows: (a) \$75,000 in 2013-14 and \$91,100 in 2014-15 to support 1.0 position, beginning in 2013-14, to administer the program in DCF; (b) \$371,300 in 2013-14 and \$778,700 in 2014-15 for child care subsidies under the Wisconsin Shares program for participants who needed child care; and (c) \$4,059,900 in 2013-14 and \$5,810,900 in 2014-15 for wage subsidies and other reimbursements to employers who participate in the program (Alternative 3).

26. The bill does not specify whether the transform Milwaukee jobs program is for Milwaukee County residents, for businesses located in Milwaukee County, or both. The Committee could make no additional changes to the bill to allow the flexibility of non-Milwaukee County residents working in Milwaukee County or allowing Milwaukee County residents to work outside of Milwaukee County. However, without specificity, the bill would also allow non-residents to work at businesses located outside of Milwaukee County.

27. DCF indicates that the intent of the bill is to target Milwaukee County residents, but allow for flexibility for businesses to be located outside of Milwaukee County. The Committee could modify the Governor's proposal to specify that in order to be eligible for the transform Milwaukee jobs program, an individual must be a Milwaukee County resident (Alternative 4a).

28. However, the Committee could also require that the businesses be located in Milwaukee County (Alternative 4b). Since the program is targeted to Milwaukee County, it may be beneficial to Milwaukee County to have the participants working in the county.

29. Subsequent to the introduction of AB 40, the administration has requested that an additional \$4.4 million in TANF funds be used to expand the transform Milwaukee jobs program to other high need areas in the state. DCF indicated an interest in expanding the program to Beloit, Racine, or other places throughout the state. In addition to funding provided for the transform Milwaukee jobs program in Milwaukee County, the Committee could provide an additional \$1,772,500 FED in 2013-14 and \$2,635,800 FED in 2014-15 (Alternative 5). This level of funding would serve an additional 207 participants in 2013-14 and 296 participants in 2014-15 at an average of \$7,834 per participant for non-Milwaukee participants. The additional funding would support child care subsidies (\$150,000 in 2013-14 and \$313,300 in 2014-15) and wage subsidies and other reimbursements (\$1,622,500 in 2013-14 and \$2,322,500 in 2014-15). DCF suggests changing the name from the transform Milwaukee jobs program to the transitional jobs program with this alternative.

30. There is a separate proposal under the bill to replace the trial jobs placement under the W-2 program with the trial employment match program (TEMP) job placement. This proposal would be statewide as part of the W-2 program and would be similar to the transform Milwaukee jobs program in that employers would be reimbursed for wages, and would possibly be reimbursed for federal social security and Medicare taxes, state and federal unemployment contributions or taxes, and worker's compensation insurance premiums. However, the TEMP job placement is limited to W-2 participants. As a result, placement in a TEMP job could occur only if the household income is below 115% of the federal poverty level, and the participant is a custodial parent.

31. Alternatively, the Committee could approve a transform Milwaukee jobs proposal or expanded proposal, but sunset the program at the end of the biennium (Alternative 6). Given the TANF structural deficit and the additional funding that may be needed for other programs, this alternative would provide additional assistance to high need areas during the economic recovery in the 2013-15 biennium, but not contribute to the structural deficit by ending the program on June 30, 2015.

32. Finally, the Committee could deny the Governor's proposal (Alternative 7). The average cost per individual who obtains unsubsidized employment after participating in the transitional jobs demonstration project is \$14,028 per individual in the Milwaukee area and \$12,394 per individual outside of the Milwaukee area. In addition, only half of those enrolled who participated in orientation actually obtained an unsubsidized job, and it is likely that some of those individuals would have obtained employment without participating in the program. Given the structural deficit in the TANF program, and funding that may be needed for other TANF-related programs, the Committee could determine that the cost per individual who actually obtains an unsubsidized job may be excessive.

ALTERNATIVES

1. Approve the Governor's proposal to provide \$4,506,200 FED in 2013-14, \$6,680,700 FED in 2014-15, and 1.0 FTE FED position, beginning in 2013-14, to establish the transform Milwaukee jobs program for low-income adults in Milwaukee County.

2. Modify the Governor's proposal to reduce funding for the Wisconsin Shares program by \$337,800 FED in 2013-14 and \$901,400 FED in 2014-15 to reflect the lower number of participants that could be funded with \$3,750,000 in 2013-14 and \$5,000,000 in 2014-15.

ALT 2	Change to Bill
	Funding
FED	- \$1,239,200

3. Modify the Governor's proposal to specify that the amount budgeted (\$4,506,200 in 2013-14 and \$6,680,700 in 2014-15) would be allocated as follows: (a) \$75,000 in 2013-14 and \$91,100 in 2014-15 to support 1.0 position, beginning in 2013-14, to administer the program in DCF; (b) \$371,300 in 2013-14 and \$778,700 in 2014-15 for child care subsidies under the Wisconsin Shares program for participants who needed child care; and (c) \$4,059,900 in 2013-14 and \$5,810,900 in 2014-15 for wage subsidies and other reimbursements to employers who participate in the program.

4. Modify the Governor's proposal to specify that in order to participate in the transform Milwaukee jobs program:

- a. an individual must be a resident of Milwaukee County.
- b. an employer must be located in Milwaukee County.

5. In addition to funding provided for the transform Milwaukee jobs program in Milwaukee County under Alternatives 1, 2, or 3, provide an additional \$1,772,500 FED in 2013-14 and \$2,635,800 FED in 2014-15 to expand the program to Beloit, Racine, or other high need areas throughout the state. Change the name of the program to the transitional jobs program.

ALT 5	Change to Bill
	Funding
FED	\$4,408,300

6. In addition to any alternatives selected under 1 through 5, sunset the program at the end of the biennium. Specify that the program would end on June 30, 2015.

7. Delete the Governor's proposal.

ALT 7	Change to Bill	
	Funding	Positions
FED	- \$11,186,900	- 1.00

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