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September 12th, 2017

Chairman Petryk and Workforce Development Committee Members,

Thank you for holding a Public Hearing on AB 422 related to creating the Hire Heroes program to provide transitional jobs to veterans.

AB 422 is pro-veteran and pro-work. The bill will help ensure that all eligible, unemployed veterans can find a job. As you know, Wisconsin has a strong tradition of its citizens serving our nation in uniform and returning home to be leaders in their communities. Wisconsin also has a strong tradition of serving those who have served their country. Creating a transitional jobs program tailored to Wisconsin's veterans continues that tradition.

Under current law, the Department of Children and Families administers a transitional jobs program to help adults with children find employment by providing wage subsidies to the participants' employers. Those without children are only eligible if they are between the ages of 18-24. Under current law, the following scenarios apply:

Veteran A is 25 years old, and has one kid. Veteran A is eligible for the existing program administered by DCF.

Veteran B is 23 years old with no kids. Veteran B is eligible for the DCF transitional jobs program by being in the 18-24 year old window.

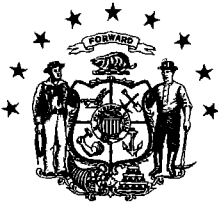
Veteran C is 25 years old, and does not have kids. Veteran C is ineligible for the DCF program.

However, many service members enlist when they are 18 years old, and most sign up for six-year contracts. Therefore, by the end of their contract, they are 24 years old, and ineligible for the transitional jobs program through DCF, unless they have children. It is our firm belief that those veterans should not be ineligible simply because they do not have kids and/or do not meet the age requirements.

Therefore, AB 422 creates a parallel program allowing any veteran to be eligible, with or without children. AB 422 establishes that DWD will administer the program, with DCF and DVA playing auxiliary roles, and will utilize funding up to \$400,000 annually. The new program will be available to any Wisconsin resident who qualifies, and gives preference to those most in need.

The Military Order of the Purple Heart, the VFW-WI Chapter, American Legion-WI Chapter, and the County Veteran Service Officer Association all support this legislation. It is time for the Wisconsin Legislature to do the same.

I appreciate your consideration of this bill and I would be happy to answer any questions you may have.



STATE REPRESENTATIVE
DANIEL RIEMER

WISCONSIN STATE ASSEMBLY

7th DISTRICT

Testimony on Assembly Bill 422

Assembly Committee on Workforce Development

September 12, 2017

Chairman Petryk and members of the committee, thank you for taking the time to hear and consider Assembly Bill 422, which creates the Hire Heroes program to provide transitional jobs to veterans.

Under the Hire Heroes transitional jobs program, the Department of Workforce Development would help connect unemployed veterans with jobs and would supplement their wages for up to six months. For a veteran to be eligible, he or she must be at least 18 years old, has been unemployed for at least four weeks, is ineligible for the Wisconsin Works program, is a veteran as verified by DVA, and passes the required drug screening tests, currently required under state law.

Although Hire Heroes is modeled after the transitional jobs programs already established in Wisconsin, there are a number of key differences. First, this program is tailored to veterans. Two, its sphere would be statewide. And three, preference is given to veterans whose household incomes are 60% or less of Wisconsin's median income.

The most notable difference, however, is the change in one of the eligibility requirements. Under Wisconsin's current transitional jobs programs, funding is derived from the Temporary Assistance for Needy Families (TANF) account. Under federal rules, TANF funding can only be disbursed to those who have children or to childless adults who are between the ages of 18 and 24. By using non-TANF funding from DWD instead, every unemployed veteran is eligible to participate in the program regardless of family size and age.

This is a win for the state. By being the direct link between employers and unemployed veterans, we give veterans the chance to develop particular skills and strengthen their resumes as quickly as possible. Veterans could increase their earning potential under our bill, helping them to provide for their families, pay rent or save for a home, and spend money in their local communities. Relative to our current unemployment insurance program, it is a small investment with a higher return.

This is also a win for Wisconsin employers. Over the last several years, employers stated they have the jobs available but cannot find people with specific skill sets to fill them. This bill helps connect many unemployed veterans, many with specific skills needed in the workplace, to vacant jobs while supplementing their wages for the first six months.

Most importantly, this is a win for our veterans. We are providing an avenue to quickly get our nation's bravest back on their feet, earn a living, build a resume, and provide for their families. They have served us. Now we can serve them.

Assembly Bill 422 is pro-work and anti-poverty. It helps create a path toward the middle-class through work and wages. This is something we should all be working towards for the people of Wisconsin.

Assembly Bill 422 is a bipartisan bill that has the support of many veterans groups, including the County Veteran Service Officer Association, the American Legion-WI Chapter, the Military Order of the Purple Heart, and the Veterans of Foreign Wars-WI Chapter. I hope we can count on your support as well.

Thank you for your time, and I welcome any questions you may have.

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Scott Walker, Governor
Ray Allen, Secretary

Assembly Committee on Workforce Development

Testimony on Assembly Bill 422

Andrew Evenson, Legislative Liaison, Department of Workforce Development

Chairperson Petryk and members of the Assembly Committee:

I am Andrew Evenson, the Legislative Liaison for the Department of Workforce Development (DWD). On behalf of DWD, I would like to thank you for allowing me to testify for information only.

Thanks to Governor Walker and the support of our partners in the Legislature, Wisconsin's unemployment rate is at 3.2 percent, a near record low. Wisconsin also outpaces the nation in labor force participation rate. These strong economic indicators also point to challenges facing our state. Employers are struggling to find skilled talent to fill good-paying jobs. DWD's top priority is to continue to use the funds provided by Governor Walker and the Legislature to make smart, strategic investments in solutions to meet employers' labor market needs. The veteran population is a top priority for DWD with a team of dedicated staff working towards connecting Wisconsin veterans with employment and promoting this talent pool to the business community.

AB 422 creates the Hire Heroes Program within DWD which funds transitional jobs for unemployed veterans that meet certain criteria. The veteran, as defined by DVA, must be unemployed for 4 weeks, not receiving unemployment benefits, not participating in Wisconsin Works employment positions, and satisfy requirements related to substance abuse screening, testing, and treatment. Individual may participate in Hire Heroes program for up to 1,040 hours. Participating employers would be compensated by DWD for costs including a wage subsidy, federal social security, and Medicare taxes, state and federal unemployment insurance contributions or taxes, and worker's compensation insurance premiums. Wage subsidy is limited to the federal or state minimum wage. Employer can't be filling a vacancy created by a termination or reduced hours of another employee, fill a position when other person is on layoff or strike, or other person is engaged in a labor dispute. DWD would have MOUs with DCF and DVA to identify veterans and place them with participating businesses.

DWD along with other agencies that receive federal funds for employment assistance must seek federal funds to support veterans in transitional jobs. The fiscal estimate for the Hire Heroes program would be up to \$400,000 GPR each year from the Wisconsin Fast Forward program. Administration of the program would be charged to the Wisconsin Fast Forward administrative appropriation, but no new funding or position authority is provided. DWD would also be responsible for preparing an annual report to the governor, the appropriate standing committees of the legislature, DCF, and DVA.

I would be happy to answer any technical questions you may have. Thank you again for your time and for the opportunity to testify today.

MILWAUKEE Transitional Jobs Collaborative

Member Organizations and Agencies in the Collaborative:

Archdiocese of Milwaukee
Benedict Center
Catholic Charities
Center for Veteran Issues, Ltd.
Community Advocates
Community Warehouse
Dominican Center for Women
Department of Corrections
Department of Workforce Development – Job Service

DWD – Division of Vocational Rehabilitation

Employ Milwaukee, Inc.

Episcopal Diocese of Milwaukee
Ezekiel Community Development Corp.
Great Lakes Community Conservation Corps

Guest House of Milwaukee, Inc.
Hunger Task Force
Independence First
Interfaith Conference of Greater Milwaukee
MATC
MICAH
Milwaukee Careers Cooperative
Milwaukee Homicide Review Commission
Milwaukee Jobs Work
Milwaukee Working

NAACP
Project Return
Social Development Commission
Silver Spring Neighborhood Center
STEP Industries, Inc.
The Milwaukee Urban League
30th St. Industrial Corridor Corp.
United Way of Greater Milwaukee
WISDOM
YWCA Southeast Wisconsin

Transitional Jobs (TJ) Program 8 Things You Need To Know About TJs

- 1. TJs are real jobs.** Unemployed Wisconsinites who work at TJs must do real work and earn real wages. They only get paid for actual hours worked and do not receive any welfare cash grants. They can get fired for misconduct or nonperformance and pay taxes. Thus, they learn the discipline of the regular labor market.
- 2. TJs usually lead to unsubsidized jobs.** In Wisconsin as elsewhere, most TJ workers go on to secure regular employment.
- 3. Private-sector employers like TJs as effective on-the-job training.** Precisely because the TJ experience involves real work, many private firms view TJ workers as potentially strong applicants for any vacancies they have at low risk to the company.
- 4. TJ employers are predominantly private sector organizations.** Many of the TJs are in small businesses with fewer than 25 workers.
- 5. TJs actually help private firms create new jobs.** By reducing the risk of creating a new job, TJs help many private firms figure out if they can justify creating a new position—a decision many make.
- 6. TJs are easy for private firms to use.** Wisconsin uses private “employers of record” to screen and prepare applicants and handle the paperwork. The real employers (called “host sites”) provide the real work to be done and report hours. There is very little red tape.
- 7. TJ work improves local communities and helps local economies.** When TJ workers do work for non-profits like the YWCA, they help improve their communities. And whether they work for non-profit or for-profit firms, their wages are spent within the local economy...helping to create additional private-sector jobs.
- 8. TJs make sense for veterans:** TJs are a very effective economic development tool and can help veterans who are disconnected from work become reengaged in the formal economy and flourish.



A Success Story:

RALPH TILDEN

By Melinda Grulke

“During Orientation I watched Ralph become more hopeful that things would turn around for him.

He has become a source of inspiration for others.”

Marianne Zirkle, Training Specialist

“I worked my tail off, was always ten minutes early and never missed a day; not even when there was a blizzard!”

***Ralph Tilden,
Transitional Worker***

“Ralph was unsure about the position, but decided to accept it and assured me he would be a reliable employee. Ralph exceeded my expectations and has been an outstanding participant.

His hard work and determination has been rewarded with full time permanent employment with the employer.”

Melinda Grulke, Program Specialist

The Transitional Jobs Demonstration Project focuses on creating jobs and building partnerships between local businesses and unemployed individuals. PSI helps participants gain new job skills and find work with partner employers throughout Milwaukee.

Ralph Tilden worked as a marble finisher for over 20 years. Due to the economic recession in late 2008, he was laid off. Faced with the challenge of securing employment with a unique skilled trade, Ralph sought unemployment.

During this time, he lost his home as well as his mother. Depression set in as Ralph struggled to stabilize his financial and home situation. In March of 2010, he moved into a veteran's shelter. Months later, he attended a Veteran's Job Fair and was introduced to employment opportunities through the Transitional Jobs Demonstration Project.

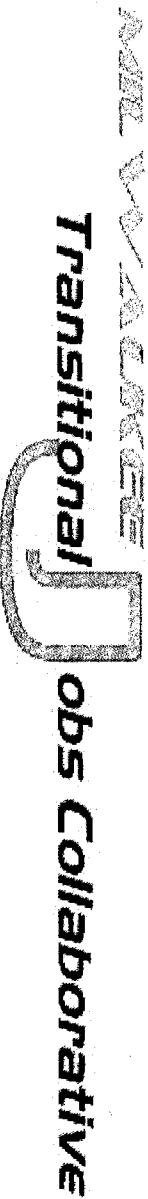
Ralph successfully completed the orientation component of the Transitional Jobs program and was offered a position as a maintenance worker. Initially, Ralph was hesitant to accept the offer. He had two concerns: he didn't have a maintenance background and he was worried he would be laid off when the six-month position ended. Ultimately, Ralph accepted the offer as he knew working a temporary maintenance position was better than not working at all.

Ralph was placed at a non-profit organization and quickly excelled. He was provided his own office where he managed the general maintenance and repair of buildings, facilities, and equipment. Says Ralph, "I worked my tail off, was always ten minutes early and never missed a day; not even when there was a blizzard!" Ralph's dedication to employment and commitment to the operation of the organization he serviced paid off.

On April 26, 2011 Ralph was hired as a full-time, permanent employee and received a \$1.75 raise. How does Ralph feel about his accomplishment? "They like me and I like my job. Very soon I will have my apartment back." With the help of the Wisconsin Veteran's Administration, Ralph is working on moving out of transitional housing.

Transitional Jobs for Veterans

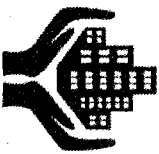
Definition: Transitional jobs are short term subsidized jobs aimed at getting marginalized workers into the productive workforce. They typically pay \$7.25 per hour and last for 6 months or 1,040 hours.



34 organizations working together for transitional jobs.

Conor Williams, Economic Policy Analyst

Community Advocates - Public Policy Institute



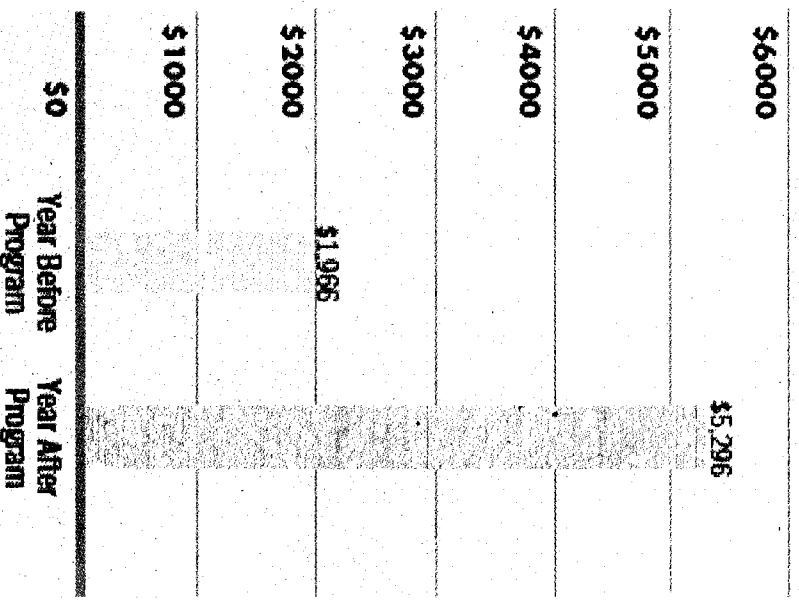
COMMUNITY ADVOCATES
Public Policy
Institute

Success of Transitional Jobs

Figure 4.10 Wisconsin TJ Program Participant Characteristics

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

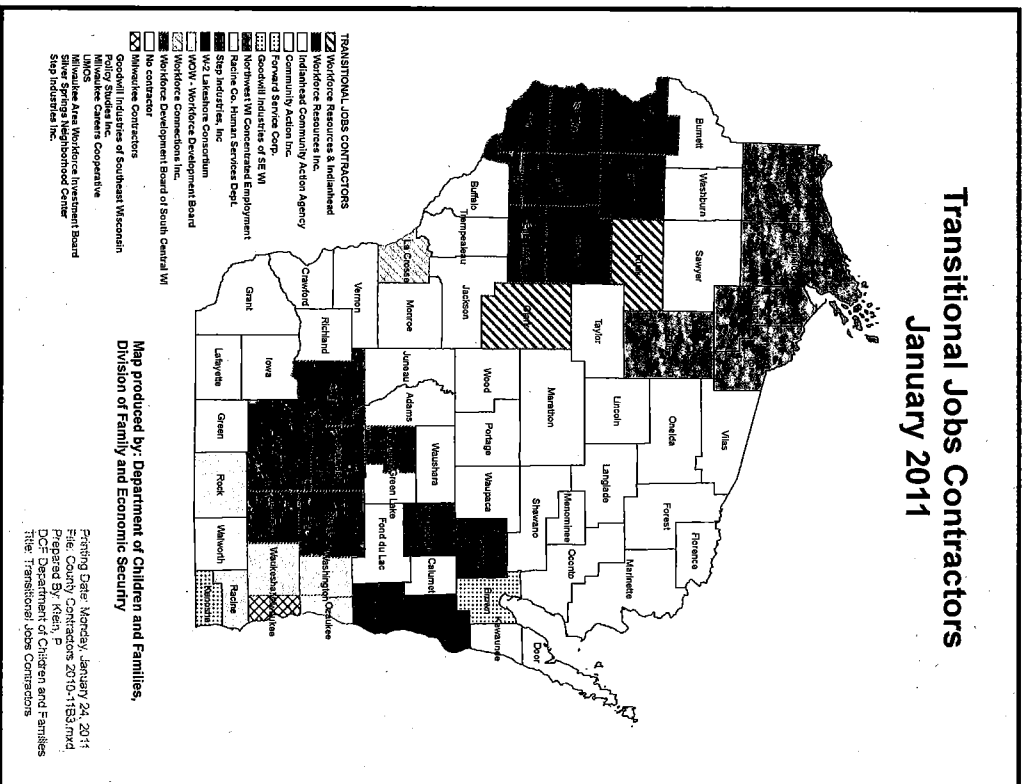
Figure 4.13 Average Annual Earnings Pre- and Post-Program among All TJ Participants



Source: "Stimulating Opportunity: An Evaluation of ARRA-Funded Subsidized Employment Programs" Economic Mobility Corporation, September 2013

Statewide Impact of Transitional Jobs Demonstration Project

Transitional Jobs Contractors January 2011



4,072 workers participated in the
Transitional Jobs Demonstration Project.
2,050 went on to secure unsubsidized
work.
813 businesses and organizations
participated, majority of which were for
profit businesses
90% of businesses said they would likely
participate again if approached.

Transitional Jobs for Veterans

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VETERANS OF FOREIGN WARS

OF THE UNITED STATES



DEPARTMENT OF WISCONSIN

DATE: September 12, 2017

RE: Testimony on 2017 Assembly Bill 422

TO: Assembly Committee on Workforce Development

FROM: Michael L "Gunner" Furgal, State Legislative Chairman, Veterans of Foreign Wars,
Department of Wisconsin

Chairman Petryk and members of the committee, thank you for today's opportunity to testify on behalf of Assembly Bill 422. I am Mike "Gunner" Furgal, Legislative Chairman of the Veterans of Foreign Wars, Department of Wisconsin and I'm speaking on behalf of Commander "Trapper" John Schultz and our nearly 40,000 members and auxiliary members located in every country of our fair state. This legislation continues the Wisconsin tradition of serving those who have served our country.

Assembly Bill 422 would create a parallel program to one that is currently in existences. Under current law, the Department of Children and Families administers a transitional jobs program to help adults with children and those without children between the ages of 18 and 24. This program provides wage subsidies to the participant's employers. Under this bill veterans over the age of 24 and/or childless would be eligible for these subsides. Supporting this bill would level the playing field.

These unemployed men and women veterans served their country for us; it is only right that we move them near the front of the line. As one who worked as a Disabled Veterans Outreach Program Specialist for Wisconsin Job Service for nearly 20 years, I can assure you that this bill will help ensure that unemployed veterans find a job.

Thanks again to Chairman Petryk and the members of the committee for hearing my testimony on this legislation. I ask that you support this bill for our veterans.