

ROCK COUNTY TRANSITIONAL JOBS (WORKERS4U)

**ORGANIZATION(S) PREPARING/
SUBMITTING INITIATIVE:** Southwest Wisconsin Workforce Development Board (SWWDB), Community Action of Rock & Walworth Counties, Inc., and Rock County 5.0

Objectives:

This initiative will encourage the creation of private- and public-sector jobs and the expansion of small- and medium-size businesses through a subsidized employment program that will target regional driver industries with immediate growth potential by providing employers an incentive to hire new workers. The goal is to help dislocated workers with strong job skills and work ethic to re-enter the workforce, while building employability and job-related skills for the economically disadvantaged. The program will also put into place reasonable performance expectations and requirements for long-term employment opportunities.

This initiative will provide a wage incentive/subsidy that will encourage businesses and organizations to grow their workforce. The incentive is intended to provide full reimbursement of wages for up to six months and partially subsidized wages for an additional three months.

Employers would be eligible for the job creation incentive and wage subsidy for nine months. The program would pay the employer 100% of the wages up to \$12 per hour (up to a maximum of \$480 per week) for the first six months of employment as an incentive to hire new workers and expand its workforce. The employer would be eligible for a subsidy of 50% of the wages up to \$300 per week for an additional three months as an inducement to retain the person and transition the worker into the employer's regular workforce. After the nine month subsidy period, the employer will hire the worker full-time, provided the worker meets performance expectations. The job-creation subsidy would be paid directly to participating employers twice per month by the SWWDB for the first six months and the final three months would be paid in a lump sum at the end of the 12th month upon certification that the worker was retained.

The new jobs created through this initiative will stimulate the Rock County economy, increase tax revenue, increase retail spending and other activities; and decrease the burden on social benefit programs, such as unemployment insurance, COBRA subsidies and food stamps. Specifically, the planned outcomes would include:

- Creation of 400 full-time Rock County jobs, averaging \$12 an hour
- 80% (320 positions) to complete and be employed within the incentive and subsidy period (9 months)
- 75% of the workers to be permanently employed six months after completion of program
- Local economic impact – is \$7,488,000 in wages paid to employees (\$6.24 million reimbursed to employers) over a nine-month period; \$9,984,000 in wages paid over a 12-month period
- \$7,384,000 per year reduction in unemployment compensation
- Increase in skill levels and work experience across the Rock County region
- Participants complete skills assessments to create logical, individualized career plan
- Initiative processes replicable to other workforce areas and employers facing tough economic decisions

The program will be administered through the Southwest Wisconsin Workforce Development Board (SWWDB) using existing workforce infrastructure.

SWWDB would partner with local agencies that provide assistance to those with economic, educational and other barriers to employment – such as Community Action of Rock and Walworth Counties – to help identify and recruit disadvantaged adults and dislocated workers to be employed by the wage-reimbursement/subsidy program. An agency such as community Action also would be employed to hire and train the project coordinator and job-development specialists that would work with program participants.

The region's technical college, Blackhawk Technical College, also is a potential partner. Staff from SWWDB and

Community Action would work with BTC staff to develop and institute the classroom-training curriculum portion of the training, to be completed during the six-month, 100-percent wage subsidy period.

In addition, SWWDB and any partnering agencies would work with Rock County’s economic-development officials to identify employers with immediate hiring needs. Rock County 5.0, a public-private partnership created to enhance the capabilities of local economic-development representatives, would be a key player in employer-recruitment activities.

Progress to Date:

This initiative would be a new venture for SWWDB, although SWWDB has operated on-the-job training (OJT) through the local one-stop system. SWWDB has operated subsidized work experience training under the Wisconsin Senior Employment (WISE) program, repeatedly being awarded additional slots for the success it has achieved. SWWDB has also operated subsidized employment programs under the Job Training Partnership Act.

Barriers:

SWWDB operates under the Workforce Investment Act (WIA) and has used OJTs as a training option for employers who hire dislocated workers and adults with barriers to employment. However, SWWDB’s annual allocation is limited and does not provide adequate funding for a large number of OJTs. Also, OJTs are narrowly defined in WIA and do not provide the type of incentive proposed by this proposal. Without an identified funding source, it is impossible for SWWDB to embark on this initiative. SWWDB is interested in a demonstration project that would track the successes of subsidized employment, along with supporting training, as a viable option to job creation and growth. A lower cost option would be to create more flexibility in OJTs to allow for longer term training.

Where federal agencies can help/what type of partnership would help:

This initiative relies heavily on federal government funding for the creation of 400 long-term, permanent jobs in Rock County. While subsidized employment opportunities have not been used recently, such programs have demonstrated merit and success going back to the CCC programs in the 1930s. Subsidized employment is one approach supported Dr. Paul Harrington in his keynote address “Economic Recession and Recovery in America’s Heartland” at the recent DOL sponsored Heartland Conference. Dr. Harrington, director for the Center for Labor Market Studies at Northeastern University in Boston, MA believes that employers need to be given hiring incentives as a tool to stimulate employment growth. He noted that there are many experienced, productive dislocated workers who lack 21st Century job skills, and that employers need to be encouraged to hire these workers. This initiative would be a model for other communities dealing with plant closures, mass dislocations, high unemployment rates and a lack of unassisted job creation.

Budget:

Budget Item	Year 1	Year 2	Year 3	Total
Salaries	334,880	348,275	362,206	1,045,361
Fringe Benefits	133,952	139,311	144,882	418,145
Travel	7,980	7,980	7,980	23,940
Supplies & Materials	20,000	12,000	7,000	39,000
Equipment / Building Rental	80,000	62,000	63,000	205,000
Other Costs / Expenses	1,956,500	3,124,500	1,170,000	6,251,000
Total	2,525,332	3,686,085	1,747,089	7,958,537