
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 900

Session of
1987

INTRODUCED BY DALEY, COLAFELLA, VEON, KASUNIC, LaGROTTA,
HALUSKA, BELFANTI, PRESSMANN, COWELL, TRELLO, KUKOVICH,
STABACK, PISTELLA, ITKIN, DeWEESE, STEIGHNER, LEVDANSKY,
FISCHER, BOOK, MELIO, DeLUCA, JOSEPHS, RYBAK, SALOOM, MORRIS
AND RUDY, MARCH 17, 1987

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE, MARCH 17, 1987

AN ACT

1 Providing for the mitigation of the impacts of major
2 dislocations of employment, for assistance in reemployment of
3 dislocated workers and for an annual business survey;
4 creating a task force on business retention and development
5 and giving it powers and duties; giving powers and duties to
6 the Milrite Council; imposing penalties; creating the Joint
7 State Legislative Committee on Jobs and the Economy; and
8 making an appropriation.

9 The General Assembly of the Commonwealth of Pennsylvania
10 hereby enacts as follows:

11 Section 1. Short title.

12 This act shall be known and may be cited as the Economic and
13 Employment Development Act.

14 Section 2. Declaration of policy.

15 The General Assembly finds and declares as follows:

16 (1) The economy of this Commonwealth is critical to the
17 well-being of the citizens of this Commonwealth and the
18 quality of life in the communities of this Commonwealth.

19 (2) A fundamental responsibility of State government is

1 to promote the expansion of private investment and the
2 creation of jobs.

3 (3) In economically distressed areas of this
4 Commonwealth, the loss of jobs in mature industries
5 frequently exceeds the creation of new jobs.

6 (4) Even when aggregate employment in this Commonwealth
7 is growing, plant closings and other major, permanent
8 dislocations of employment often cause severe economic and
9 social hardship to affected workers, families and
10 communities.

11 (5) The negative impacts of plant closings and other
12 major dislocations of employment can sometimes be prevented
13 or mitigated by the cooperative efforts of government,
14 business, labor and community leadership.

15 (6) Most businesses seek to demonstrate good corporate
16 citizenship when faced with a challenge to prevent or
17 mitigate the negative impacts of plant closings and other
18 major dislocations of employment.

19 (7) Prompt and concerted intervention can result in
20 reemployment of persons affected by plant closings and other
21 major dislocations of employment.

22 (8) A program to mitigate the impacts of major
23 industrial plant closings and to assist in averting the
24 unemployment of dislocated industrial plant workers is found
25 to be in the interest of the Commonwealth's government,
26 citizens, businesses and communities.

27 Section 3. Definitions.

28 The following words and phrases when used in this act shall
29 have the meanings given to them in this section unless the
30 context clearly indicates otherwise:

1 "Business survey." The annual business survey established
2 under section 4.

3 "Department." The Department of Commerce of the
4 Commonwealth.

5 "Milrite Council." The Milrite Council created by section 4
6 of the act of July 1, 1978 (P.L.584, No.109), known as the
7 Milrite Act.

8 "Secretary." The Secretary of Commerce of the Commonwealth.

9 "SIC." Standard Industrial Classification as designated in
10 the Standard Industrial Classification Manual prepared by the
11 Federal Office of Management and the Budget.

12 "Survey." The annual business survey established under
13 section 4.

14 "Task force." The Business Retention and Development Task
15 Force created under section 6.
16 Section 4. Survey.

17 (a) Establishment.--The Milrite Council is empowered to
18 prepare an annual business survey to ascertain the general and
19 specific health of businesses in this Commonwealth.

20 (b) Preparation.--

21 (1) The survey shall be disseminated to businesses,
22 selected by random sample, or as may be required by standard
23 research methods, within this Commonwealth in the first three
24 weeks of July.

25 (2) The businesses shall complete the surveys and return
26 them to the department by the last business day in September
27 of the same year.

28 (3) The Milrite Council shall compile data from the
29 surveys and prepare a report on the surveys by June 30 of the
30 year after the surveys were disseminated, completed and

1 returned.

2 (4) The Milrite Council shall use the surveys and the
3 data generated from the surveys for creating and updating the
4 State economic model authorized under section 5(a). In
5 addition, the surveys and the data generated from the surveys
6 may be made available for other research purposes under
7 section 5(d).

8 (5) The confidentiality of the individual surveys of
9 businesses shall be preserved.

10 (6) The survey may include requests for confidential
11 financial or proprietary information, but no business
12 surveyed shall be required to provide this information. The
13 survey form shall indicate that no business surveyed is
14 required to provide confidential financial or proprietary
15 information.

16 (c) Presentation.--The report prepared under subsection
17 (b)(3) shall be presented to the Governor and the General
18 Assembly.

19 Section 5. Economic research capability.

20 (a) Creation.--The Milrite Council is empowered to establish
21 a State economic model.

22 (1) The Milrite Council may hire field investigators to
23 obtain economic data for use in constructing the economic
24 model.

25 (2) The Milrite Council shall update the economic model.

26 (3) The Milrite Council shall require a good faith
27 effort by businesses surveyed to provide accurate economic
28 data.

29 (4) The Milrite Council may offer a stipend not to
30 exceed \$100 to a sampled business that provides accurate

1 economic data.

2 (b) Function.--The State economic model shall be used to:

3 (1) Create research data for economic forecasting.

4 (2) Formulate proposed policy.

5 (3) Analyze existing and proposed policies and programs.

6 (c) Utilization.--The research data created by the State
7 economic model and the survey shall provide the ability to
8 monitor and evaluate, on the basis of SIC'S, changes in:

9 (1) Sector-by-sector economic activity.

10 (2) Employment levels.

11 (3) Products and market needs.

12 (4) Demographics.

13 (5) Industrial targeting, including measures of market
14 access, locational advantages and potential regional impacts.

15 (6) Product inputs, including amounts of labor,
16 materials and capital investment.

17 (7) Product outputs sold to various economic sectors.

18 (d) Availability.--

19 (1) The data used for the construction of the State
20 economic model and data generated by the State economic model
21 shall be available:

22 (i) To the department, other administrative agencies
23 and the General Assembly for use in the development of
24 economic and employment programs and for the analysis of
25 existing and proposed economic and employment policy and
26 programs.

27 (ii) For other research purposes under paragraph
28 (3).

29 (2) When this data is made available, the
30 confidentiality of individual surveys of businesses shall be

1 preserved.

2 (3) Upon majority vote, the Milrite Council shall
3 determine, by regulation, standards and procedures for
4 permitting requests for the use of data generated from the
5 surveys of individual businesses, data used for the
6 construction of the State economic model and data generated
7 from the State economic model. Regulations under this
8 paragraph shall include cost assessments for the use of the
9 material. Lower costs may be assessed to government agencies,
10 academic institutions, nonprofit institutions and the news
11 media.

12 (e) Agreements.--The Milrite Council shall enter into
13 agreements with the Governor and the General Assembly for the
14 Milrite Council to prepare and carry out requested economic and
15 employment research.

16 (f) Cooperation.--Administrative agencies shall provide
17 assistance and information to the Milrite Council upon request.
18 This subsection includes such confidential information as the
19 Milrite Council deems necessary for carrying out its duties
20 under this act.

21 (g) Cost effectiveness.--The economic research capability
22 shall be created in a cost-effective manner. The Milrite Council
23 shall periodically review the costs and usefulness of the State
24 economic model. When possible and appropriate, existing data
25 from other administrative agencies shall be used. Surveys and
26 field investigations shall seek data or confirmation of data not
27 available from other administrative agencies.

28 Section 6. Task force.

29 (a) Creation.--A Business Retention and Development Task
30 Force is created within the department.

(b) Members.--The following are members of the task force:

(1) The secretary, who shall serve as chairperson.

(2) A designee of the Secretary of Community Affairs.

(3) A designee of the Secretary of Labor and Industry.

(4) The chairman and vice chairman of the Milrite Council under section 5(e) of the act of July 1, 1978 (P.L.584, No.109), known as the Milrite Act, or their designees.

(5) Two members, who represent colleges or universities in this Commonwealth, appointed by the secretary.

(c) Purpose.--The task force has the following powers and duties:

(1) Evaluate, utilizing the research data created under section 5(b), changes in the economy of this Commonwealth as they impact upon individual businesses.

(2) Provide assistance in coordinating and delivering services provided by the multiplicity of Commonwealth economic programs.

(3) Encourage, taking into consideration the size of a business, the use of the following voluntary, recommended standards of behavior whenever a plant closing or major layoff occurs:

(i) Notification. An employer should provide the longest practicable notice to the affected employees and the community of an impending plant closure or substantial layoff.

(ii) Communication. An employer has an ongoing responsibility to communicate with employees and community officials on issues that may affect the employer's work force or the community.

1 (iii) Employee and community input. Employers
2 should seek input from employees and the community to
3 maintain the business and employment.

4 (iv) Severance pay. Employers should provide
5 employees with a form of severance pay based on such
6 factors as years of service, compensation level,
7 responsibility level and payment from outside sources.
8 The amount of severance pay should be dependent upon the
9 financial strength of the business.

10 (v) Basic health care. Employers should continue to
11 provide basic coverage for a reasonable length of time,
12 contingent upon the financial strength of the business.
13 If the employer cannot continue to provide the coverage,
14 it should make efforts to find other funding methods.

15 (vi) Outplacement services. Either the employer or
16 the Department of Labor and Industry should provide
17 outplacement services and career continuation workshops,
18 which should include counseling of workers, job fairs and
19 identification of potential employment vacancies.

20 (vii) Intracompany transfers. An employer should
21 fully explore the possibility of transferring affected
22 employees to other locations of the employer's company
23 and should consider assisting the employees in the
24 relocation. An employer should consider priority hiring
25 of affected employees at other locations.

26 (viii) Retraining. An employer should explore
27 retraining employees in skills required for other jobs
28 within the company and elsewhere in the employment
29 market. An employer should make efforts to utilize the
30 services and resources of the Job Training Partnership

1 Act (Public Law 97-300, 96 Stat. 1322) to offer
2 retraining. An employer should also consider private
3 facilities for the retraining of affected employees.

4 (ix) Early retirement incentives. An employer
5 should consider allowing employees to retire early rather
6 than be terminated, transferred or retrained. An employer
7 should consider offering special incentives to high
8 seniority service employees to encourage early
9 retirement.

10 (x) Community relations. An employer should work
11 with the community to redeploy the plant that has been
12 closed. Efforts should include assistance in creating and
13 operating a local economic development program, informing
14 Commonwealth and private economic development agencies of
15 the potential uses and availability of the plant and
16 facility and the sale of the business.

17 (4) Advise the Governor periodically on issues and
18 policy matters pertaining to the well-being of industry in
19 this Commonwealth.

20 (5) Submit an annual report to the Governor, the Chief
21 Clerk of the Senate and the Chief Clerk of the House of
22 Representatives by September 30 of each year. The report
23 shall include:

24 (i) A description of the activities of the
25 industrial service program, including the number of
26 businesses assisted, the number of jobs maintained and
27 efforts to assist workers and communities affected by
28 plant closings or mass layoffs.

29 (ii) Recommendations to improve the performance of
30 the task force.

1 (iii) A description and evaluation of the
2 Commonwealth's industry and community assistance programs
3 relating to industrial plant operations and displacement
4 of workers.

5 (iv) Acceptance of and adherence to the statement of
6 policy issued under paragraph (3).

7 (6) In order to execute this act:

8 (i) Enter into formal or informal agreements with
9 Federal, State or local agencies.

10 (ii) Enter into contracts.

11 (iii) Execute instruments.

12 (iv) Apply for and accept grants, donations,
13 bequests and devises.

14 (d) Staff.--The secretary shall designate a staff to assist
15 the task force with its responsibility in assisting the
16 department to:

17 (1) Monitor Commonwealth business in sectors where
18 economic decline is indicated.

19 (2) Provide counseling to businesses and communities on
20 the availability of Commonwealth assistance programs.

21 (3) Assist, upon request of a business or a community,
22 in alleviating the causes and effects of an impending plant
23 closing or mass layoff.

24 (4) Assist the formation and operation of labor and
25 management cooperative programs or joint efforts between
26 employees and employers toward job retention, retraining or
27 job placement.

28 (e) Cooperation.--Commonwealth agencies shall provide
29 assistance and information to the task force upon request.

30 Section 7. Regulations.

1 The department is authorized to promulgate regulations to
2 implement this act. The regulations shall be consistent with the
3 declaration of policy in section 2.

4 Section 8. Penalties.

5 An officer or employee of the Commonwealth who intentionally
6 or knowingly discloses confidential information obtained under
7 the authority of this act commits a misdemeanor of the third
8 degree.

9 Section 9. Staff.

10 The Milrite Council may hire staff as it deems necessary to
11 carry out the purposes of this act.

12 Section 10. Project development study.

13 (a) Undertaking.--The Milrite Council shall undertake a
14 project development study of the economic research capability
15 authorized under section 5. The study shall determine the most
16 cost-effective research capability to be initially developed and
17 utilized.

18 (b) Cooperation.--The Milrite Council shall work in
19 cooperation with the Joint State Legislative Committee on Jobs
20 and the Economy, created under section 11.

21 Section 11. Joint State Legislative Committee on Jobs and the
22 Economy.

23 (a) Creation.--The Joint State Legislative Committee on Jobs
24 and the Economy is created to:

25 (1) Coordinate the interests of the Milrite Council and
26 of the General Assembly.

27 (2) To function as a bipartisan legislative forum linked
28 to the standing committee structure on jobs and economic
29 policy.

30 (b) Membership.--The committee shall consist of the

1 following 12 members:

2 (1) The four legislative members of the Milrite Council.

3 (2) The majority and minority chairmen of the Business
4 and Commerce and Labor Relations Committees of the House of
5 Representatives.

6 (3) The majority and minority chairmen of the Community
7 and Economic Development and Labor and Industry Committees of
8 the Senate.

9 Section 12. Appropriation.

10 The sum of \$200,000, or as much thereof as may be necessary,
11 is hereby appropriated to the Milrite Council for the fiscal
12 year July 1, 1987, to June 30, 1988, to carry out the provisions
13 of this act. Section 301(11) of the act of October 15, 1980
14 (P.L.950, No.164), known as the Commonwealth Attorneys Act, does
15 not apply to money spent under this appropriation.

16 Section 13. Effective date.

17 This act shall take effect in 60 days.