

THE GENERAL ASSEMBLY OF PENNSYLVANIA

# HOUSE BILL

No. 1556 Session of  
1997

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WASHINGTON, STURLA AND OLIVER, JUNE 3, 1997

REFERRED TO COMMITTEE ON HEALTH AND HUMAN SERVICES, JUNE 3, 1997

## AN ACT

1 Providing for a program of grants to develop and provide useful  
2 and productive opportunities for unemployed and underemployed  
3 people, especially young people, through payments for labor  
4 and related costs associated with the construction, repair or  
5 rehabilitation of essential community and educational  
6 facilities, with the reclamation, improvement and  
7 conservation of public lands, and with the creation, repair,  
8 rehabilitation and restoration of public safety, public  
9 transportation, health, social services and recreation  
10 facilities and other activities necessary to the public  
11 welfare.

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7 The General Assembly of the Commonwealth of Pennsylvania  
8 hereby enacts as follows:

9 CHAPTER 1

10 PRELIMINARY PROVISIONS

11 Section 101. Short title.

12 This act shall be known and may be cited as the Job Creation  
13 and Infrastructure Restoration Act.

14 Section 102. Legislative findings.

15 The General Assembly finds and declares as follows:

16 (1) That the investments made during the 1930s, 1940s  
17 and 1950s in the infrastructure of the United States through  
18 the Roosevelt public works programs, the National Highway Act  
19 and other major efforts led to the greatest economic recovery  
20 and sustained level of economic growth in the first 150 years  
21 of our nation's existence.

22 (2) That this Commonwealth's infrastructure has suffered  
23 greatly over the past three decades because of the failure of  
24 the Federal Government to renew and restore roads, bridges,  
25 public buildings, public lands and other public assets.

26 (3) That the lack of resources for the maintenance of  
27 the infrastructure during this period has led to the loss of  
28 both jobs and job skills in these vital areas, with  
29 consequent increased unemployment and a reduction in the  
30 quality of life for residents of affected areas.

1           (4) That there is a critical need to renew and restore  
2 both the public buildings and other assets, and the jobs and  
3 job skills needed to ensure that those assets are available  
4 for use by future generations and for any defense needs the  
5 country may face in the future.

6           (5) That policies at the Federal and State level have  
7 demonstrated diminished concern for the needs of the  
8 communities of the Commonwealth and a shifting of the burden  
9 for maintenance and restoration of blighted areas on to State  
10 and local governments, in addition to the burden for local  
11 needs, such as public safety, education, health and public  
12 welfare, that those jurisdictions bear, thereby stretching  
13 already shrinking resources beyond the capabilities of those  
14 governments to address these needs.

15           (6) That financial incentives that are specifically  
16 linked to the development of jobs, and renewal of important  
17 job skills will help reverse the trend of continued erosion  
18 of the Commonwealth's urban and rural areas and act as an  
19 economic stimulus for the Commonwealth.

20           (7) That economic growth rates, future efficiency and  
21 competitiveness will be substantially enhanced by programs of  
22 assistance to local governments to construct and rehabilitate  
23 this Commonwealth's economic stability.

24           (8) That efforts to reform the welfare system are based  
25 on the assumption that there will be jobs available in the  
26 public and private sectors for current welfare recipients and  
27 for noncustodial parents whose responsibilities include  
28 providing support for their children.

29           (9) That, absent a concentrated effort on the part of  
30 the Commonwealth to create career jobs that provide a living

wage, efforts to reform the welfare system are doomed to failure.

(10) That creation of living wage jobs in conjunction with a large and sustained community works renewal program will reap significant rewards in direct tax payments at all levels of government, increased economic expansion for the Commonwealth and substantial reductions in the outlays for unemployment support, welfare, Medicaid and other government expenditures and will also lessen the burden on government expenditures that result from lack of employment for those at risk of entering a life of crime.

(11) That agriculture is of such importance and since Pennsylvania is ranked third in relation to mass layoffs in the last four months (November, 1996 to the present), this act is committed to reestablishing agricultural services.

#### Section 103. Definitions.

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

"Department." The Department of Public Welfare of the Commonwealth.

"Local government." Any political subdivision.

"Public service." The term includes port facilities, police and fire stations, detention centers, schools, health facilities, industrial research or development parks, research facilities at institutions of higher learning and other projects and the Secretary of Public Welfare determines to be appropriate.

"Secretary." The Secretary of Public Welfare of the Commonwealth.

1 "TANF." Temporary assistance for needy families.

2 CHAPTER 3

3 GRANTS TO LOCAL GOVERNMENTS

4 Section 301. Direct grants.

5 (a) General rule.--The department is authorized to make  
6 grants to any local government for construction, including  
7 demolition and other site preparation activities, renovation,  
8 repair, restoration or other improvement of local public works  
9 projects, including those public works projects of local  
10 governments for which Federal financial assistance is  
11 authorized. To the extent appropriate, the department may  
12 coordinate with other Federal, State or local agencies in  
13 assessing grant requests and in providing appropriate levels of  
14 support.

15 (b) Duty of department.--The department shall enter into a  
16 letter of intent with the appropriate Federal, State or local  
17 agencies to assist in developing the program provided for in  
18 this act.

19 (c) Termination of grants.--No new grants shall be made  
20 under this section after the expiration of any three-consecutive  
21 month period during which the unemployment rate remained below  
22 5% for each such month, or after September 30, 1999, whichever  
23 occurs first.

24 Section 302. Allocation of funds and preferences.

25 (a) Allocation of funds.--The department shall allocate 5%  
26 of the TANF block grant for the administration and  
27 implementation of the program provided for in this act. The  
28 remainder shall be allocated as follows:

29 (1) After the set-aside required by paragraphs (2) and

30 (3), 60% of the funds shall be allocated among counties on

1 the basis of the ratio that the number of unemployed persons  
2 in each county bears to the total number of unemployed  
3 persons in all counties, and 40% of the funds shall be  
4 allocated among those counties with an average unemployment  
5 rate for the preceding six-month period in excess of 6% on  
6 the basis of the relative severity of unemployment in each  
7 county, except that no county shall be allocated less than  
8 .75% or more than 12% of the funds for local public works  
9 projects within the county.

10 (2) No less than 10% of each county's allocations shall  
11 be set aside and shall be expended only for grants for public  
12 works projects under this chapter for local units of general  
13 government with populations under 10,000.

14 (3) Up to .75% of the total grant award will be  
15 available for project development and preparation and for  
16 ongoing project administration. This allocation shall be  
17 available for local units of government defined as  
18 nonentitlement under the Housing and Urban Development  
19 Community Development Block Grant Program. The allocation  
20 shall not exceed \$15,000 for any single grant award.

21 (b) Preferences.--

22 (1) In making grants, the department shall give priority  
23 to public works projects of local governments that will  
24 employ those persons adversely affected by recent changes in  
25 Federal and State laws relating to public and other  
26 assistance.

27 (2) In making grants, the department shall also give  
28 priority to any public works projects requested by a special  
29 purpose unit of local government which is endorsed by a  
30 general purpose local government within the county.

1           (3) A project requested by a school district shall be  
2           accorded the full priority and preference to public works  
3           projects of local governments provided in this subsection.

4           (4) A project that creates or adds to an applied  
5           research facility at an institution of higher education, and  
6           that facility is intended to promote the development of new  
7           products and processes, or that, the department determines,  
8           will improve the competitiveness of industry shall be  
9           accorded full priority and preference. For projects under  
10          this section, matching funds requirements shall be waived if  
11          the company or companies and school involved commit, in the  
12          department's determination, to undertake all future equipment  
13          and maintenance expenses.

14          (c) High unemployment rates.--

15           (1) In making grants under this chapter, if for the 12  
16          most recent consecutive months the average unemployment rate  
17          in the construction trades is equal to or exceeds 8%, the  
18          department shall:

19                   (i) expedite and give priority to applications  
20                   submitted by local governments having unemployment rates  
21                   for the 12 most recent consecutive months in excess of  
22                   the State unemployment rate in the construction trades;  
23                   and

24                   (ii) shall give priority thereafter to applications  
25                   submitted by local governments having average  
26                   unemployment rates for construction trades for the 12  
27                   most recent consecutive months in excess of 6%, but less  
28                   than the State unemployment rate.

29           (2) Information regarding unemployment rates shall be  
30          furnished by the Department of Labor and Industry working in

concert with the appropriate Federal agency to provide this information on a timely (10-day turnaround) basis.

(d) State and local prioritization of applications.--

Whenever a local government submits applications for grants under this chapter for two or more projects, the local government shall submit as part of the applications its priority for each project.

(e) Localization of unemployment determinations.--The local unemployment rate may, for purposes of this chapter, and upon request of the applicant, be based upon the unemployment rate of any community or neighborhood (defined without regard to political or other subdivisions or boundaries) within the jurisdiction of the local government.

Section 303. Rules, regulations and procedures.

(a) General rule.--The department shall, not later than 90 days after the effective date of this act, publish in the Pennsylvania Bulletin as proposed rulemaking those rules and regulations, including application forms, necessary to carry out this chapter. These rules and regulations shall assure that adequate consideration is given to the relative needs of various areas of this Commonwealth. The department shall consider among other factors:

(1) The severity and duration of employment in proposed project areas.

(2) The income levels and extent of underemployment in proposed project areas.

(3) The extent to which proposed project areas will contribute to increased employment in the construction trades and future economic growth.

(4) The needs of proposed project areas to recover from



1 natural or other disaster which has affected the  
2 infrastructure of the area.

3 (b) Consideration of applications.--The department shall  
4 make a final determination with respect to each application for  
5 a grant not later than the 60th day after the date the  
6 department receives the application.

7 (c) Consideration of construction industry employment.--For  
8 purposes of this section, in considering the extent of  
9 unemployment or underemployment, the department shall consider  
10 the amount of unemployment or underemployment in the  
11 construction and construction-related industries.

12 Section 304. General limitations.

13 (a) Acquisition of land.--No part of any grant shall be used  
14 for the acquisition of any interest in real property.

15 (b) Maintenance costs.--Nothing in this chapter shall be  
16 construed to authorize the payment of routine scheduled  
17 maintenance costs in connection with any projects constructed in  
18 whole or in part with financial assistance provided under this  
19 chapter.

20 (c) On-site labor.--Grants made by the department shall be  
21 made only for projects for which the applicant gives  
22 satisfactory assurances, in such manner and form as may be  
23 required by the department and in accordance with those terms  
24 and conditions as the department may prescribe, that, if funds  
25 are available, onsite labor work can begin within 90 days of  
26 project approval.

27 (d) Contracting.--

28 (1) No part of the construction, including demolition  
29 and other site preparation activities, renovation,  
30 restoration, repair or other improvement of any public works

1 project for which a grant is made shall be performed directly  
2 by any department, agency or instrumentality of the  
3 Commonwealth or any local government.

4 (2) Construction of each project shall be performed by  
5 contract awarded by competitive bidding, unless the  
6 department shall affirmatively find that, under the  
7 circumstances relating to the project, an alternative method  
8 is in the public interest.

9 (3) Contracts for the construction of each project shall  
10 be awarded only on the basis of the lowest responsible bid  
11 submitted by a bidder meeting the established criteria of  
12 responsibility, subject to subsection (c).

13 (4) No requirement or obligation shall be imposed as a  
14 condition precedent to the award of a contract to a bidder  
15 for a project or to the department's concurrence in the award  
16 of a contract to the bidder, unless the requirement or  
17 obligation is otherwise lawful and is specifically set forth  
18 in the advertised specifications or in this act.

19 (e) Environmental safeguards.--All local public works  
20 projects carried out under this chapter shall comply with all  
21 relevant Federal, State and local environmental laws and  
22 regulations.

23 (f) Buy American.--If a local public works project carried  
24 out with financial assistance under this chapter would be  
25 eligible for Federal financial assistance under provisions of  
26 law other than this chapter and, under such other provisions of  
27 law, would be subject to the Buy American Act of 1988 (Public  
28 Law 100-418, 102 Stat. 1543), or similar requirements, such  
29 project shall be subject to The Exchange Rates and International  
30 Economic Policy Coordination Act of 1988.

1 (g) Minority participation.--If a local public works project  
2 carried out with financial assistance under this chapter is  
3 eligible for Federal financial assistance under provisions of  
4 law other than this chapter and, under such other provision of  
5 law, is subject to any minority participation requirement, the  
6 project shall be subject to such requirement under this chapter,  
7 in the same manner and to the same extent as such project would  
8 be subject to those requirements under such other provisions of  
9 law.

10 (h) Applicability of laws regarding individuals with  
11 disabilities.--Sections 504 and 505 of the Rehabilitation Act of  
12 1973 (Public Law 93-112, 29 U.S.C. § 701 et seq.) and the  
13 Americans With Disabilities Act of 1990 (Public Law 101-336, 104  
14 Stat. 327) shall apply to local public works projects carried  
15 out under this act. The Governor, with the approval of the  
16 Auditor General and the State Treasurer, shall transfer to the  
17 Department of Labor and Industry such funds as may become  
18 available under Subchapter B, and shall allocate such funds into  
19 equal shares for the following fiscal years:

20 July 1, 1998 to June 30, 1999

21 July 1, 1999 to June 30, 2000

22 July 1, 2000 to June 30, 2001

23 CHAPTER 5

24 PUBLIC WORKS AND JOB RESTORATION

25 Section 501. Purpose.

26 It is the purpose of this chapter to develop and provide  
27 useful and productive opportunities for unemployed and  
28 underemployed people, especially young people, through payments  
29 from the funds allocated for this purpose, for labor and related  
30 costs associated with the construction, repair or rehabilitation

1 of essential community and educational facilities; with the  
2 reclamation, improvement and conservation of public lands; and  
3 with the creation, repair, rehabilitation and restoration of  
4 public safety, public transportation, health, social services  
5 and recreation facilities and other activities necessary to the  
6 public welfare.

7 Section 502. Eligible participants.

8 (a) General eligibility requirements.--An individual shall  
9 be eligible to participate in a program, project or activity  
10 receiving funds under this chapter only if the individual meets  
11 all of the following:

12 (1) Is a resident or citizen of this Commonwealth.

13 (2) Is an unemployed individual at the time of  
14 enrollment.

15 (3) Has been unemployed for at least 30 days immediately  
16 preceding the date of such enrollment, except as otherwise  
17 provided in subsection (e) or (f) and section 902.

18 Individuals may be certified for purposes of this section under  
19 procedures agreed to by the eligible administrative entity and  
20 established in regulations established by the department.

21 (b) Duration of eligibility.--No individual who is eligible  
22 under subsection (a) shall receive wages from funds made  
23 available under this chapter in excess of 52 weeks in any two-  
24 year period, in accordance with the following subsidy schedule:

25 (1) Up to 75% of the participant's wages may be  
26 subsidized for the first 26 weeks.

27 (2) Up to 50% of the participant's wages may be  
28 subsidized for the next 13 weeks.

29 (3) Up to 25% of the participant's wages may be  
30 subsidized for the next 13 weeks.

1 (c) Priority for participation.--In the selection of  
2 participants for activities under this chapter, priority shall  
3 be given to individuals who:

4 (1) At the time of selection, have exhausted or are  
5 otherwise not eligible for unemployment benefits,  
6 particularly:

7 (i) Those individuals who have been unemployed for  
8 the longest periods of time preceding the date of their  
9 selection.

10 (ii) Those residing in households in which no other  
11 member is employed on a full-time basis.

12 (iii) Those individuals who are or were qualified  
13 participants in aid to families with dependent children  
14 (AFDC) or in a program under the Trade Adjustment Act of  
15 1979 (Public Law 96-39, 93 Stat. 144) or other Federal  
16 program providing job reemployment assistance due to base  
17 closure, factory closure or other job loss due to  
18 economic factors.

19 (iv) Those young people who are unemployed and who  
20 reside in communities with the highest levels of  
21 unemployment or underemployment.

22 (2) Except for individuals described in subparagraph  
23 (iv), have been employed within the past two years by the  
24 employer that is providing the subsidized job position.

25 (d) Special consideration for recipients of public  
26 assistance.--Entities receiving funds under this chapter shall  
27 give special consideration to applicants who are:

28 (1) Custodial parents of children who are recipients of  
29 assistance under Title IV of the Social Security Act (49  
30 Stat. 620, 42 U.S.C. § 301 et seq.).

1           (2) Noncustodial parents of nondependent children who  
2       are recipients of assistance under Title IV of the Social  
3       Security Act, but only if the applicants agree in writing to  
4       the withholding of an appropriate portion of their wages to  
5       be applied to the support of the children under any child  
6       support order.

7       (e) Special consideration for veterans.--With regard to  
8       services to veterans provided under section 701(a)(3)(xv),  
9       special consideration in selecting participants for employment  
10      in such activities should be given to veterans who otherwise  
11      meet the eligibility requirements in this section.

12      (f) Special consideration for public assistance  
13      recipients.--Special consideration shall be given to current and  
14      former recipients of public assistance and to current and former  
15      recipients to aid to families with dependent children.

16      (g) Equal employment opportunities.--In certifying eligible  
17      participants under subsection (a) and in referring them for  
18      employment, the administrative entity shall be responsible for  
19      ensuring equal employment opportunities and the full  
20      participation of traditionally underrepresented groups,  
21      including women and racial and ethnic minorities, in employment  
22      provided with funds made available under this subchapter. Each  
23      recipient of funds shall be responsible for ensuring such  
24      opportunities and full participation in the selection of  
25      eligible participants for such employment.

26      Section 503. Limitation on use of funds.

27      (a) Reservation for wages and benefits.--Not less than 75%  
28      of the funds made available to any recipient from funds  
29      appropriated for any fiscal year shall be used to provide for  
30      wages and related employment benefits to eligible participants

1 for work which the recipient certifies has been performed in one  
2 or more of the activities authorized under this act.

3 (b) Limitation on administrative costs.--No more than 10% of  
4 the funds provided to any recipient from funds appropriated for  
5 any fiscal year may be used for the cost of administration.

6 (c) Acquisition of tools, equipment and materials.--The  
7 remainder of the funds provided to any recipient from funds  
8 appropriated for the fiscal year, after compliance with  
9 subsection (a) and deduction of costs of administration  
10 permitted by subsection (b), may be used for the acquisition of  
11 supplies, tools, equipment and other materials directly related  
12 to the purpose for which the funds were provided.

13 (d) Use of other funds.--

14 (1) Nothing in this act shall be construed to preclude  
15 or limit the payment of the costs of administration or the  
16 costs of supplies, tools, equipment or other materials  
17 directly related to the project or program being funded,  
18 either in whole or in part, from Federal sources such as  
19 section 106 of the Housing and Community Development Act of  
20 1974 (Public Law 93-383, 88 Stat. 139) or from non-Federal  
21 sources other than this act.

22 (2) In designating projects under this act, the  
23 recipient shall, to the extent feasible, ensure that  
24 supplies, tools, equipment or other materials purchased or  
25 procured in accordance with paragraph (1) have been  
26 manufactured, mined or produced in the United States, unless  
27 the supply, tool, equipment or material is not available in  
28 reasonable quantity and quality as required to fulfill the  
29 needs of the project or activity.

30 (e) Training cost exception.--Notwithstanding subsection

(a), funds available may be used for costs associated with training and related support for a number of participants if:

(1) Employers have made commitments to fill an equal number of unsubsidized jobs with participants who have successfully completed training.

(2) The recipient has entered into an agreement for the provision of such training to participants with one or more of the following: an apprenticeship training program which is certified by the Department of Labor for the construction industry and meets Federal standards for apprenticeship training, an administrative entity designated under section 103(b)(1)(B) of the Job Training Partnership Act (Public Law 97-300, 29 U.S.C. § 1513), a local educational agency, a vocational education school, an institution of higher education, a community-based organization, a community action agency, a community development corporation or other qualified public or private nonprofit provider of training services.

(3) The costs associated with providing such training and related support to any participant from funds available under this act do not exceed, on a weekly basis, the maximum wage which may be paid with funds available under this act. Apprenticeship training shall be included in the project agreements negotiated with the building trades councils as outlined in section 304(d)(2). Minority participation requirements as specified in this act shall be applied to such project agreements.

(f) Salary limitation.--Funds available for the cost of administration pursuant to subsection (b) may not be used to pay salaries or wages to administrative or supervisory employees as



1 follows:

2 (1) at a rate that is greater than the rate of the  
3 salaries or wages paid to employees performing comparable  
4 functions for the same employer; or

5 (2) if there is no such comparable rate, at a rate which  
6 is in excess of the rate of pay prescribed for GS-13 of the  
7 General Schedule with respect to employees of the Federal  
8 Government.

9 CHAPTER 11

10 MISCELLANEOUS PROVISIONS

11 Section 1101. Effective date.

12 This act shall take effect in 60 days.