
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2083

Session of
1999

INTRODUCED BY GORDNER, HERMAN, ZUG, MARKOSEK, McILHATTAN,
SANTONI, LEDERER, WALKO, BELFANTI, GRUCELA, STERN, BROWNE,
FRANKEL, WOJNAROSKI, MYERS, CASORIO, LAUGHLIN, MANDERINO,
STURLA, LEH, M. COHEN, ROBINSON, BELARDI, HALUSKA, CORRIGAN,
YOUNGBLOOD, S. MILLER, VAN HORNE, BATTISTO, CAPPABIANCA,
FREEMAN, YUDICHAK, RAMOS, HARHAI, DALEY, SAINATO AND
WILLIAMS, NOVEMBER 17, 1999

SENATOR PUNT, COMMUNITY AND ECONOMIC DEVELOPMENT, IN SENATE, AS
AMENDED, JUNE 6, 2000

AN ACT

1 Amending the act of June 29, 1996 (P.L.434, No.67), entitled, as
2 amended, "An act to enhance job creation and economic
3 development by providing for an annual financing strategy,
4 for opportunity grants, for job creation tax credits, for
5 small business assistance, for the Small Business Advocacy
6 Council, for a family savings program, for industrial
7 development assistance, for community development bank grants
8 and loans and for tax-exempt bond allocation; conferring
9 powers and duties on various administrative agencies and
10 authorities; further providing for various funds; and making
11 repeals," further providing for the Family Savings Account
12 Program; ~~and~~ establishing a technology work experience <—
13 internship program; AND MAKING A REPEAL. <—

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. The title and sections 2101 and 2102 of the act
17 of June 29, 1996 (P.L.434, No.67), known as the Job Enhancement
18 Act, amended November 17, 1998 (P.L.788, No.100), are amended to
19 read:

20 AN ACT

1 To enhance job creation and economic development by providing
2 for an annual financing strategy, for opportunity grants, for
3 job creation tax credits, for small business assistance, for
4 the Small Business Advocacy Council, for a family savings
5 program, for industrial development assistance, for community
6 development bank grants and loans and for tax-exempt bond
7 allocation; authorizing a technology work experience
8 internship program; conferring powers and duties on various
9 administrative agencies and authorities; further providing
10 for various funds; and making repeals.

11 Section 2101. Definitions.

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

15 "Account." A family savings account [at a financial
16 institution or other institution that is approved by the
17 Department of Community and Economic Development and which is]
18 that is opened and maintained by [the] a saver [as part of an
19 approved account program for the restricted purpose of providing
20 funds for an eligible use] enrolled in the program.

21 ["Approved account program." A program approved by the
22 Department of Community and Economic Development and that is
23 operated by a service provider.]

24 "Approved plan." A plan developed for an individual saver
25 defining savings goals and program requirements, including the
26 saver's anticipated use of both the savings and the match. The
27 approved plan shall serve as the contract between the saver and
28 the service provider and shall be for a contribution period of
29 not less than 12 months nor more than 24 months.

30 "Department." The Department of Community and Economic

1 Development of the Commonwealth.

2 "Education." A postsecondary program of instruction provided
3 by a college, university, community college, area vocational-
4 technical school, professional institution or specialized
5 degree-granting college or school legally authorized to grant
6 degrees. The term shall also include a job training or related
7 educational program approved by the Department of Community and
8 Economic Development. The term shall not include a school of
9 theology or theological seminary.

10 "Eligible uses." Education, purchase of a home,
11 participation in entrepreneurial activity, enrollment of a
12 saver's child in day care to enable the saver to participate in
13 job training, any work-related activity or educational program
14 or other activity based on an approved plan.

15 "Entrepreneurial activity." Purchase of or investment in a
16 for-profit venture in which the saver will be a principal.

17 "Financial institution." Any of the following:

18 (1) A Federal or State-chartered bank, bank and trust
19 company, savings bank, savings and loan association, trust
20 company or credit union.

21 (2) A financial entity which:

22 (i) is licensed or regulated by a Federal or
23 Commonwealth agency; and

24 (ii) insures its deposits up to \$100,000.

25 "Match." An amount equal to 50%, up to \$500 per year, of the
26 [contribution amount] money deposited into [an] the account by a
27 saver during the contribution period of the saver's approved
28 plan.

29 "Minimum savings amount." An amount established in the
30 approved plan as the minimum amount to be deposited by a saver

1 in order to be eligible for the match.

2 "Program." The Family Savings Account Program established
3 pursuant to this chapter.

4 "Saver." An individual or family who resides in this
5 Commonwealth and whose total annual income at the time of
6 enrollment is not more than 200% of the Federal poverty standard
7 and who has applied for enrollment in [an approved account] the
8 program.

9 "Service provider." A nonprofit institution that encourages
10 and assists local community building and that is certified by
11 the Department of Community and Economic Development for
12 participation in the program.

13 Section 2102. Administration.

14 (a) Certification of service providers.--The department
15 shall certify service providers who shall enroll eligible savers
16 into the program.

17 (b) Application process.--Eligible savers shall apply to a
18 service provider to participate in the program. The service
19 provider shall develop an approved plan with each enrolled saver
20 which specifies a minimum savings amount and how much money the
21 saver intends to contribute to the saver's family savings
22 account on either a weekly, biweekly or monthly basis. The
23 application and approved plan shall be on a form and shall meet
24 such requirements as deemed appropriate by the department.

25 (c) Ownership.--Each enrolled saver shall open an account as
26 defined under this chapter at a financial institution that is
27 certified by the department as qualified to participate in the
28 program for deposit of the saver's contributions. All moneys in
29 that account, including interest earned thereon, shall belong to
30 the individual saver.

1 [(d) Grants.--

2 (1) The department shall make grants to service
3 providers from funds appropriated for this purpose. The
4 amount and number of grants shall be calculated by the
5 department in such a manner as to ensure payment of the
6 maximum match required for the contribution period for all
7 approved plans for enrolled savers and in such a manner as to
8 not exceed the amount appropriated.

9 (2) Service providers shall keep all matching grant
10 funds in a separate account at a financial institution
11 approved by the department until the funds are withdrawn or
12 returned to the department according to the provisions of
13 this chapter. The service provider shall use grant proceeds
14 to provide the required match for the accounts of enrolled
15 savers who have met all program requirements. Service
16 providers shall be eligible for administrative costs in an
17 amount as determined by the department. Not more than 5% of
18 funds annually appropriated for this program may be used to
19 reimburse service providers for eligible administrative
20 costs. The department may approve the use of interest
21 earnings on grant funds held by service providers as a
22 portion of a service provider's approved administrative
23 costs.]

24 (d) Grants.--

25 (1) The department shall make a grant to a service
26 provider from which the service provider shall provide the
27 match for approved plans. A service provider shall deposit
28 all grant funds in a separate account at a financial
29 institution until the funds are withdrawn to provide the
30 required match for a saver or are returned to the

1 Commonwealth. Grants to service providers shall be made from
2 and limited to funds appropriated for this purpose.

3 (2) If a saver's approved plan is modified and the match
4 is reduced or a saver drops out of the program within the
5 fiscal year in which the grant was made to the service
6 provider or the next fiscal year, the service provider may
7 reassign the grant funds to other savers with approved plans
8 within this time period. Any grant funds remaining unassigned
9 at the end of the fiscal year in which the grant was made to
10 the service provider or the next fiscal year must be returned
11 to the Commonwealth as provided in paragraph (3). If a
12 saver's approved plan is modified and the match is reduced or
13 a saver drops out of the program after the fiscal year in
14 which the grant was made to the service provider or the next
15 fiscal year, the service provider must return the unused
16 grant funds to the Commonwealth as provided in paragraph (3).

17 (3) Service providers shall return any funds due the
18 Commonwealth pursuant to guidelines published by the
19 department but no later than quarterly.

20 (4) A service provider shall be eligible for
21 administrative and counseling costs in an amount determined
22 by the department. No more than 9.5% of funds annually
23 appropriated for this program may be used to reimburse
24 service providers for eligible administrative and counseling
25 costs of which no more than 5% may be used for administrative
26 costs. The department may approve the use of interest
27 earnings on grant funds held by service providers as a
28 portion of a service provider's approved administrative and
29 counseling costs. Eligible counseling costs shall include,
30 but not be limited to, costs associated with interviewing

1 potential savers, enrolling savers, monitoring a saver's
2 progress toward fulfilling the terms of an approved plan and
3 providing periodic money management and financial skills
4 meetings for savers to foster the habit of continued saving.
5 The department shall determine eligible administrative costs.

6 (e) Eligibility for match.--An enrolled saver with an
7 approved plan and account monitored by a service provider must
8 fulfill the requirements of the approved plan for a minimum of
9 12 months but not more than 24 months. The saver shall present
10 satisfactory evidence to the service provider on a quarterly
11 basis that the savings requirements are being met.

12 (f) Restrictions on withdrawal.--

13 (1) In order to obtain [matching funds] the match, the
14 saver must present satisfactory evidence to the service
15 provider that the amount being withdrawn from the saver's
16 family savings account is being used for an eligible use.
17 Withdrawals from a family savings account for an eligible use
18 by a saver shall be made payable to the legal entity which
19 provides the eligible use.

20 (2) [Match funds] The match shall be paid by the service
21 provider to the legal entity which provides the eligible use.
22 [Match funds] The match shall not be paid to the saver.

23 (3) [Match funds which have] A match which has not been
24 paid for an eligible use within [five] three years after the
25 end of the [match] contribution period shall be returned to
26 the [department] Commonwealth for deposit in the State
27 Treasury.

28 (4) A saver who fails to meet the savings goal set forth
29 in the approved plan or who decides to drop out of the
30 program shall terminate his approved plan with the service

1 provider according to procedures determined by the
2 department. Upon the termination of an approved plan between
3 a saver and a service provider, the service provider [shall
4 return the amount of match to the department in accordance
5 with the guidelines established by the department] shall
6 reassign or return the matching funds according to the
7 provisions of subsection (d), and the saver shall be entitled
8 to withdraw funds within the saver's account for purposes
9 other than provided by this chapter.

10 Section 2. The act is amended by adding a chapter to read:

11 CHAPTER 29

12 TECHNOLOGY WORK EXPERIENCE INTERNSHIP PROGRAM

13 Section 2901. Definitions.

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

17 "Agency." The Pennsylvania Higher Education Assistance
18 Agency.

19 "Approved course of study." A program or curriculum offered
20 by a postsecondary educational institution that provides
21 instruction in science, technology and related fields and that
22 has been approved by the Department of Education in consultation
23 with the Pennsylvania Workforce Investment Board, as required
24 under section 3 of the act of June 23, 1999 (P.L.159, No.22),
25 known as the New Economy Technology Scholarship Act.

26 "Approved educational institution." A postsecondary
27 educational institution located in this Commonwealth that is
28 authorized to provide approved courses of study and grant
29 degrees and that has been approved by the Pennsylvania Higher
30 Education Assistance Agency as an institution in which students

1 may enroll to participate in the New Economy Technology
2 Scholarship Program.

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

5 "Emerging technology company." A company located in this
6 Commonwealth that is involved in scientific research and product
7 development, technology or a related field which is either less
8 than six years from incorporation or employs fewer than 500
9 full-time employees.

10 "Pennsylvania Workforce Investment Board." A public and
11 private partnership that provides strategic planning, program
12 coordination and evaluation of Pennsylvania's work force
13 training efforts.

14 "Program." The Technology Work Experience Internship Program
15 established under this chapter.

16 "Student." An individual domiciled in this Commonwealth who
17 attends an approved educational institution and who is enrolled
18 in an approved course of study.

19 "Work experience internship." A college-approved or
20 university-approved internship or work experience in a science,
21 technology or related field with an emerging technology employer
22 located in this Commonwealth for which the student receives
23 compensation.

24 Section 2902. Technology Work Experience Internship Program.

25 (a) Establishment of program.--The Technology Work
26 Experience Internship Program is hereby established within the
27 agency. This program shall be separate from, but may be operated
28 in conjunction with, the Federal and State work study programs.

29 (b) Matching funds.--The agency shall provide matching funds
30 to approved educational institutions to support internships for

1 students with emerging technology companies, to the extent that
2 an appropriation is enacted specifically for this purpose. The
3 agency shall review and approve applications from colleges and
4 universities for participation in the program and shall require
5 that approved educational institutions provide at least one-half
6 of the moneys necessary for the internships. Not more than 50%
7 of the cost of each internship shall be paid for by the agency.

8 (c) Approved courses.--The list of approved courses of study
9 for the program shall be the same as is currently required under
10 section 4(c) of the act of June 23, 1999 (P.L.159, No.22), known
11 as the New Economy Technology Scholarship Act.

12 (d) Emerging technology companies.--The department, in
13 cooperation with the Department of Community and Economic
14 Development and the Pennsylvania Workforce Investment Board,
15 shall establish and maintain a list of emerging technology
16 companies for the program.

17 (e) Standards.--The agency shall adopt standards for
18 approving technology work experience internship programs, which
19 standards shall include at a minimum that:

20 (1) The employer must be a Pennsylvania high-tech
21 business.

22 (2) The internship must provide career-related work
23 experience and use the student's classroom knowledge.

24 (3) The position must not displace any employee,
25 including any employee who is laid off or on strike.

26 (4) The student must be compensated at a rate at least
27 equal to the State minimum wage.

28 Section 2903. Powers and duties of agency.

29 The agency shall have the power and its duties shall be:

30 (1) To execute a participation agreement with each

1 approved educational institution participating in the
2 program.

3 (2) To establish such procedural, accounting and
4 auditing requirements as may be necessary.

5 (3) To review and audit all relevant records of the
6 participating institution and the participating employer to
7 ensure compliance with the provisions of this chapter.

8 (4) To adopt such rules, regulations, forms and
9 procedures as may be necessary to implement this chapter.

10 Section 2904. Responsibility of approved education institution.

11 Educational institutions participating in this program shall:

12 (1) Submit an application to the agency for approval to
13 participate in the program. The application shall identify
14 the high-tech employers or potential employers who will
15 sponsor an internship, the wages that interns shall be paid,
16 a description of the general nature of the work to be
17 performed and the screening process to be employed to
18 identify those students who will participate in the
19 internship program.

20 (2) Enter into a participation agreement with the
21 agency.

22 (3) Ensure that each participating high-tech business
23 understands the requirements of the program and provides each
24 hired intern career-related work experience that builds on
25 that student's classroom knowledge.

26 (4) Either through employer funds or institutional
27 funds, provide the funds required to match the State
28 contribution.

29 (5) Implement a process to screen and approve students
30 for participation in the program.

1 (6) Open relevant records and materials to the agency
2 for review.

3 (7) Have a process to monitor and evaluate each
4 internship experience.

5 (8) Adhere to any requirements or conditions that the
6 agency or the department, in consultation with the
7 Pennsylvania Workforce Investment Board and the Department of
8 Community and Economic Development, may adopt.

9 Section 2905. Emerging technology company employer
10 responsibility.

11 Each emerging technology company employer participating in
12 the program shall:

13 (1) Agree to provide each intern with career-related
14 work experience that will build on that student's classroom
15 knowledge.

16 (2) Agree not to use the intern to replace any employee,
17 including employees who may be laid off or on strike.

18 (3) Have the right to approve the selection of any
19 student placed in an internship with that company.

20 (4) Add each employee to the business payroll and return
21 all reconciliation materials by the dates required by the
22 agency to receive reimbursement for that State share of the
23 approved earnings.

24 (5) Adhere to any requirements, including such
25 accounting and auditing standards as the agency or the
26 department, in consultation with the Pennsylvania Workforce
27 Investment Board and the Department of Community and Economic
28 Development, may adopt.

29 Section 2906. Interns.

30 (a) Eligibility.--Undergraduate students enrolled in an

approved course of instruction at an approved educational institution shall be eligible to participate in the program. Priority for participation shall be based on financial need as determined by the educational institution and the agency, but participation shall not be limited to those students who qualify for financial aid.

(b) Terms and conditions.--Each intern shall comply with any conditions placed upon the internship by the agency, department or approved educational institution. Each intern shall comply with any applicable requirements established by the employer. Interns may work no more than 20 hours a week while they are enrolled on a full-time basis and may work not more than 40 hours a week during any break.

(c) Student aid.--Participation as an intern in the program may qualify as a work-study appointment and may qualify as student aid, subject to Federal and State requirements for such appointments. However, the maximum compensation an intern may receive through this program shall be subject to the limits imposed in this chapter.

(d) Satisfaction of New Economy Technology Scholarship Program requirements.--Participation as an intern in the program may qualify as satisfactory evidence of completion of the internship requirements as provided by section 5(c) of the act of June 23, 1999 (P.L.159, No.22), known as the New Economy Technology Scholarship Act, subject to the requirements of that act.

Section 2907. Compensation.

The compensation shall be determined by the approved educational institution, in cooperation with the emerging technology company. Compensation shall be subject to any terms

1 or conditions established by the agency. Interns shall be paid
2 on an hourly basis and shall receive at least the minimum wage
3 established under Pennsylvania law. In no event shall the total
4 compensation that any student receives exceed \$7,000 in any 12-
5 month period.

6 Section 2908. Annual report.

7 The agency shall include the total number of students
8 participating in this program and any data relevant thereto,
9 within its annual report as currently required by section 9 of
10 the act of June 23, 1999 (P.L.159, No.22), known as the New
11 Economy Technology Scholarship Act.

12 SECTION 3. THE ACT IS AMENDED BY ADDING A SECTION TO READ: <—
13 SECTION 5106.1. FAMILY SAVINGS ACCOUNT PROGRAM/TUITION ACCOUNT
14 PROGRAM COORDINATION.

15 (A) PROGRAM COORDINATION.--A SAVER UNDER THE FAMILY SAVINGS
16 ACCOUNT PROGRAM (FSA) ESTABLISHED UNDER CHAPTER 21 MAY TRANSFER
17 THE SAVER'S FAMILY SAVINGS ACCOUNT CONTRIBUTIONS INTO A TUITION
18 ACCOUNT PROGRAM (TAP) CONTRACT PURSUANT TO THE ACT OF APRIL 3,
19 1992 (P.L.28, NO.11), KNOWN AS THE TUITION ACCOUNT PROGRAM AND
20 COLLEGE SAVINGS BOND ACT, AND BECOME AN FSA/TAP ACCOUNT OWNER IF
21 THE FSA SAVER HAS SUCCESSFULLY COMPLETED ALL THE TERMS OF THE
22 FSA SAVER'S APPROVED PLAN PURSUANT TO SECTION 2102(E) AND THE
23 FSA SAVER'S APPROVED PLAN SPECIFIES EDUCATION AS THE ELIGIBLE
24 USE. THE FSA SAVER DOES NOT HAVE TO BE THE BENEFICIARY OF THE
25 EDUCATION.

26 (B) MATCH PAYMENT.--THE MATCH TO BE PROVIDED PURSUANT TO
27 CHAPTER 21 SHALL BE PAID BY THE FSA SAVER'S SERVICE PROVIDER
28 DIRECTLY TO THE TREASURY DEPARTMENT FOR DEPOSIT IN THE FSA/TAP
29 SAVER'S SELECTED TUITION ACCOUNT PROGRAM ACCOUNT.

30 (C) WAIVER OF RESTRICTIONS.--THE RESTRICTIONS ON WITHDRAWAL

1 OF THE FSA MATCH PURSUANT TO SECTION 2102(F)(3) SHALL NOT APPLY
2 TO AN FSA/TAP ACCOUNT OWNER.

3 (D) TERMINATION.--IN THE EVENT AN FSA/TAP ACCOUNT OWNER
4 TERMINATES THE TUITION ACCOUNT PROGRAM CONTRACT PURSUANT TO
5 SECTION 313 OF THE TUITION ACCOUNT PROGRAM AND COLLEGE SAVINGS
6 BOND ACT, THE AMOUNT REFUNDED TO THE FSA/TAP ACCOUNT OWNER SHALL
7 EXCLUDE THE MATCH MADE PURSUANT TO SECTION 2102(F) AND ANY
8 INCREASE IN VALUE RESULTING FROM THAT MATCH. THE TREASURY
9 DEPARTMENT SHALL PAY THE MATCH TO THE DEPARTMENT OF COMMUNITY
10 AND ECONOMIC DEVELOPMENT.

11 (E) AGENCY COORDINATION.--THE TREASURY DEPARTMENT AND THE
12 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT MAY ISSUE
13 REGULATIONS TO FURTHER FACILITATE COORDINATION OF THE TUITION
14 ACCOUNT PROGRAM AND THE FAMILY SAVINGS ACCOUNT PROGRAM.

15 Section 3 4. All references to the Pennsylvania Human <—
16 Resources Investment Council in the act of June 23, 1999
17 (P.L.159, No.22), known as the New Economy Technology
18 Scholarship Act, shall be deemed to be references to the
19 Pennsylvania Workforce Investment Board.

20 SECTION 5. SECTION 21 OF THE ACT OF JULY 2, 1993 (P.L.439, <—
21 NO.64), KNOWN AS THE BEN FRANKLIN/IRC PARTNERSHIP ACT, IS
22 REPEALED.

23 Section 4 6. Within one year of the effective date of this <—
24 act and each following year, the Department of Community and
25 Economic Development shall issue a report to the General
26 Assembly on the amount of bank fees that are assessed on or paid
27 for on behalf of participants of the program.

28 Section 5 7. This act shall take effect as follows: <—

29 (1) The addition of Chapter 29 of the act and section 4 <—
30 6 of this act shall take effect July 1, 2001.

1 (2) The remainder of this act shall take effect
2 immediately.