

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 793

Session of
1985

INTRODUCED BY DALEY, FISCHER, MANDERINO, BOOK, COHEN, TELEK,
KASUNIC, COWELL, BELFANTI, SWEET, ITKIN, DeWEESE,
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DAWIDA, BELARDI, RYBAK, OLASZ, CORDISCO, PETRARCA AND VEON,
MARCH 26, 1985

AS REPORTED FROM COMMITTEE ON LABOR RELATIONS, HOUSE OF
REPRESENTATIVES, AS AMENDED, JUNE 26, 1985

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; and
4 creating a task force on business retention and development
5 and giving it powers and duties.

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

8 Section 1. Short title.

9 This act shall be known and may be cited as the Business
10 Retention and Development Act.

11 Section 2. Declaration of policy.

12 The General Assembly finds and declares as follows:

13 (1) The economy of this Commonwealth is critical to the
14 well-being of the citizens of this Commonwealth and the
15 quality of life in the communities of this Commonwealth.

16 (2) A fundamental responsibility of State government is
17 to promote the expansion of private investment and the

1 creation of jobs.

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

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

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

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

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

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

26 Section 3. Definitions.

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

30 "Business survey." The annual business survey established

1 under section 4.

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

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

5 "SIC." STANDARD EMPLOYMENT CLASSIFICATION AS DESIGNATED IN <—
6 THE STANDARD INDUSTRIAL CLASSIFICATION MANUAL PREPARED BY THE
7 FEDERAL OFFICE OF MANAGEMENT AND THE BUDGET.

8 "Survey." The annual business survey established under
9 section 4.

10 "Task force." The Business Retention and Development Task
11 Force created under section 6.

12 Section 4. Survey.

13 (a) Establishment.--The department shall prepare an annual
14 business survey to ascertain the general and specific health of
15 businesses in this Commonwealth.

16 (b) ~~Time~~ PREPARATION.-- <—

17 (1) The survey shall be disseminated to businesses
18 within this Commonwealth in the first three weeks of July.

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

22 (3) The department shall compile data from the surveys
23 and prepare a report on the surveys by June 30 of the year
24 after the surveys were disseminated, completed and returned.

25 (4) THE DEPARTMENT SHALL ALLOW THE SURVEYS AND THE DATA <—
26 GENERATED FROM THE SURVEYS TO BE USED FOR CREATING THE STATE
27 ECONOMIC MODEL UNDER SECTION 5(A). IN ADDITION, THE SURVEYS
28 AND THE DATA GENERATED FROM THE SURVEYS MAY BE MADE AVAILABLE
29 FOR OTHER RESEARCH PURPOSES UNDER SECTION 6(C)(7).

30 (5) THE CONFIDENTIALITY OF THE INDIVIDUAL SURVEYS OF

BUSINESSES SHALL BE PRESERVED EXCEPT WHEN NEEDED TO DETERMINE
AND PROVE VIOLATIONS REQUIRING PENALTIES UNDER SECTION 8.

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

Section 5. Economic research capability.

(a) Creation.--The department shall establish, in
cooperation and consultation with the Milrite Council, a State
economic model.

(1) THE DEPARTMENT MAY CONDUCT SURVEYS OF BUSINESSES AND <—
HIRE FIELD INVESTIGATORS TO OBTAIN ECONOMIC DATA FOR USE IN
CONSTRUCTING THE ECONOMIC MODEL.

(2) THE DEPARTMENT SHALL UPDATE THE ECONOMIC MODEL.

(3) THE DEPARTMENT SHALL REQUIRE A GOOD FAITH EFFORT BY
BUSINESSES SURVEYED TO PROVIDE ACCURATE ECONOMIC DATA.

(4) THE DEPARTMENT MAY OFFER A STIPEND NOT TO EXCEED
\$100 TO A SAMPLED BUSINESS THAT PROVIDES ACCURATE ECONOMIC
DATA.

(b) Function.--The State economic model shall create
research data for economic forecasting, formulation of policy
and analysis of policies and programs. The research data created
by the State economic model and the survey shall be jointly
utilized to provide the ability to monitor, ON THE BASIS OF <—
SIC'S, changes in:

(1) Sector-by-sector economic activity.

(2) Employment levels.

(3) Products and market needs.

(4) Demographics.

~~(5) Standard Industrial Classifications in this <—~~
~~Commonwealth, as designated in the Standard Industrial~~

~~Classification Manual prepared by the Federal Office of
Management and Budget.~~

~~(6) (5) Industrial targeting, including measures of
market access, consumer advantages and potential regrowth
impacts. ACCESS, LOCATIONAL ADVANTAGES AND POTENTIAL REGIONAL
IMPACTS.~~

(6) PRODUCT INPUTS, INCLUDING AMOUNTS OF LABOR,
MATERIALS AND CAPITAL INVESTMENT.

(7) PRODUCT OUTPUTS SOLD TO VARIOUS ECONOMIC SECTORS.

(C) UTILIZATION.--THE DATA USED FOR THE CONSTRUCTION OF THE
STATE ECONOMIC MODEL AND DATA GENERATED BY THE STATE ECONOMIC
MODEL SHALL BE AVAILABLE FOR OTHER RESEARCH PURPOSES UNDER
SECTION 6(C)(7). WHEN THIS DATA IS MADE AVAILABLE, THE
CONFIDENTIALITY OF INDIVIDUAL SURVEYS OF BUSINESSES SHALL BE
PRESERVED EXCEPT WHEN NEEDED TO DETERMINE AND PROVE VIOLATIONS
REQUIRING PENALTIES UNDER SECTION 8.

Section 6. Task force.

(a) Creation.--The Business Retention and Development Task
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

1 duties:

2 (1) Evaluate, utilizing the research data created under
3 section 3 5(b), changes in the economy of this Commonwealth <—
4 as they impact upon individual businesses.

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

8 ~~(3) Issue a statement of policy establishing voluntary~~ <—
9 ~~standards of behavior for prenotification of industrial plant~~
10 ~~closings and mass layoffs. The prenotification standards~~
11 ~~shall be for the longest practical period of time to provide~~
12 ~~employees with the ability to arrange an orderly transition~~
13 ~~in their personal lives. The task force shall comply with~~
14 ~~this paragraph within six months of the effective date of~~
15 ~~this act.~~

16 (3) ISSUE A STATEMENT OF POLICY DETAILING VOLUNTARY, <—
17 RECOMMENDED STANDARDS OF BEHAVIOR WHICH ENCOMPASS ALL OF THE
18 FOLLOWING:

19 (I) NOTIFICATION. AN EMPLOYER SHOULD PROVIDE THE
20 LONGEST PRACTICABLE NOTICE TO THE AFFECTED EMPLOYEES AND
21 THE COMMUNITY OF AN IMPENDING PLANT CLOSURE OR
22 SUBSTANTIAL LAYOFF.

23 (II) COMMUNICATION. AN EMPLOYER HAS AN ONGOING
24 RESPONSIBILITY TO COMMUNICATE WITH EMPLOYEES AND
25 COMMUNITY OFFICIALS ON ISSUES THAT MAY AFFECT THE
26 EMPLOYER'S WORK FORCE OR THE COMMUNITY.

27 (III) EMPLOYEE AND COMMUNITY INPUT. EMPLOYERS
28 SHOULD SEEK INPUT FROM EMPLOYEES AND THE COMMUNITY TO
29 MAINTAIN THE BUSINESS AND EMPLOYMENT.

30 (IV) SEVERANCE PAY. EMPLOYERS SHOULD PROVIDE

1 EMPLOYEES WITH A FORM OF SEVERANCE PAY BASED ON SUCH
2 FACTORS AS YEARS OF SERVICE, COMPENSATION LEVEL,
3 RESPONSIBILITY LEVEL AND PAYMENT FROM OUTSIDE SOURCES.
4 THE AMOUNT OF SEVERANCE PAY SHOULD BE DEPENDENT UPON THE
5 FINANCIAL STRENGTH OF THE BUSINESS.

6 (V) BASIC HEALTH CARE. EMPLOYERS SHOULD CONTINUE TO
7 PROVIDE BASIC COVERAGE FOR A REASONABLE LENGTH OF TIME,
8 CONTINGENT UPON THE FINANCIAL STRENGTH OF THE BUSINESS.
9 IF THE EMPLOYER CANNOT CONTINUE TO PROVIDE THE COVERAGE,
10 IT SHOULD MAKE EFFORTS TO FIND OTHER FUNDING METHODS.

11 (VI) OUTPLACEMENT SERVICES. EITHER THE EMPLOYER OR
12 THE DEPARTMENT OF LABOR AND INDUSTRY SHOULD PROVIDE
13 OUTPLACEMENT SERVICES AND CAREER CONTINUATION WORKSHOPS,
14 WHICH SHOULD INCLUDE COUNSELING OF WORKERS, JOB FAIRS AND
15 IDENTIFICATION OF POTENTIAL EMPLOYMENT VACANCIES.

16 (VII) INTRACOMPANY TRANSFERS. AN EMPLOYER SHOULD
17 FULLY EXPLORE THE POSSIBILITY OF TRANSFERRING AFFECTED
18 EMPLOYEES TO OTHER LOCATIONS OF THE EMPLOYER'S COMPANY
19 AND SHOULD CONSIDER ASSISTING THE EMPLOYEES IN THE
20 RELOCATION. AN EMPLOYER SHOULD CONSIDER PRIORITY HIRING
21 OF AFFECTED EMPLOYEES AT OTHER LOCATIONS.

22 (VIII) RETRAINING. AN EMPLOYER SHOULD EXPLORE
23 RETRAINING EMPLOYEES IN SKILLS REQUIRED FOR OTHER JOBS
24 WITHIN THE COMPANY AND ELSEWHERE IN THE EMPLOYMENT
25 MARKET. AN EMPLOYER SHOULD MAKE EFFORTS TO UTILIZE THE
26 SERVICES AND RESOURCES OF THE JOB TRAINING PARTNERSHIP
27 ACT (PUBLIC LAW 97-300, 96 STAT. 1322) TO OFFER
28 RETRAINING. AN EMPLOYER SHOULD ALSO CONSIDER PRIVATE
29 FACILITIES FOR THE RETRAINING OF AFFECTED EMPLOYEES.

30 (IX) EARLY RETIREMENT INCENTIVES. AN EMPLOYER

1 SHOULD CONSIDER ALLOWING EMPLOYEES TO RETIRE EARLY RATHER
2 THAN BE TERMINATED, TRANSFERRED OR RETRAINED. AN EMPLOYER
3 SHOULD CONSIDER OFFERING SPECIAL INCENTIVES TO HIGH
4 SENIORITY SERVICE EMPLOYEES TO ENCOURAGE EARLY
5 RETIREMENT.

6 (X) COMMUNITY RELATIONS. AN EMPLOYER SHOULD WORK
7 WITH THE COMMUNITY TO REDEPLOY THE PLANT THAT HAS BEEN
8 CLOSED. EFFORTS SHOULD INCLUDE ASSISTANCE IN CREATING AND
9 OPERATING A LOCAL ECONOMIC DEVELOPMENT PROGRAM, INFORMING
10 COMMONWEALTH AND PRIVATE ECONOMIC DEVELOPMENT AGENCIES OF
11 THE POTENTIAL USES AND AVAILABILITY OF THE PLANT AND
12 FACILITY AND THE SALE OF THE BUSINESS.

13 (4) Advise the Governor periodically on issues and
14 policy matters pertaining to the well-being of industry in
15 this Commonwealth.

16 (5) Submit an annual report to the Governor, the Chief
17 Clerk of the Senate and the Chief Clerk of the House of
18 Representatives by September 30 of each year. The report
19 shall include:

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

25 (ii) Recommendations to improve the performance of
26 the task force.

27 (iii) A description and evaluation of the
28 Commonwealth's industry and community assistance programs
29 relating to industrial plant operations and displacement
30 of workers.

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

3 (6) In order to execute this act:

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

6 (ii) Enter into contracts.

7 (iii) Execute instruments.

8 (iv) Apply for and accept grants, donations,
9 bequests and devises.

10 (7) TREAT UTILIZATION OF INFORMATION AS FOLLOWS: <—

11 (I) UPON MAJORITY VOTE, THE TASK FORCE SHALL
12 DETERMINE, BY REGULATION, STANDARDS AND PROCEDURES FOR
13 PERMITTING REQUESTS FOR THE USE OF THE FOLLOWING:

14 (A) INDIVIDUAL SURVEYS OF BUSINESSES.

15 (B) DATA GENERATED FROM THE SURVEYS OF
16 INDIVIDUAL BUSINESSES.

17 (C) DATA USED FOR THE CONSTRUCTION OF THE STATE
18 ECONOMIC MODEL.

19 (D) DATA GENERATED FROM THE STATE ECONOMIC
20 MODEL.

21 (II) REGULATIONS UNDER SUBPARAGRAPH (I) SHALL
22 INCLUDE COST ASSESSMENTS FOR THE USE OF THE MATERIAL.
23 LOWER COSTS MAY BE ASSESSED TO GOVERNMENT AGENCIES,
24 ACADEMIC INSTITUTIONS, NONPROFIT INSTITUTIONS AND THE
25 NEWS MEDIA.

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

29 (1) Monitor Commonwealth business in sectors where
30 economic decline is indicated.

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

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

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

8 Section 7. Regulations.

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

12 Section 8. Penalties.

13 A person who violates section 4(b)(2) commits a summary
14 offense and shall, upon conviction, be sentenced to pay a fine
15 of \$50. Each day of noncompliance constitutes a separate
16 offense.

17 Section 9. Effective date.

18 This act shall take effect in 60 days.