

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,
F. E. TAYLOR, DeLUCA, KUKOVICH, PISTELLA, CAWLEY, TRELLO,
DAWIDA, BELARDI, RYBAK, OLASZ, CORDISCO, PETRARCA AND VEON,
MARCH 26, 1985

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
NOVEMBER 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; GIVING POWERS AND DUTIES TO <—
6 THE MILRITE COUNCIL; IMPOSING PENALTIES; CREATING A JOINT
7 LEGISLATIVE COMMITTEE ON JOBS AND THE ECONOMY; AND MAKING AN
8 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 ~~Business~~ <—
13 ~~Retention and~~ ECONOMIC AND 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.

1 (2) A fundamental responsibility of State government is
2 to promote the expansion of private investment and the
3 creation of jobs.

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

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

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

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

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

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

28 Section 3. Definitions.

29 The following words and phrases when used in this act shall
30 have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

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

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

6 "MILRITE COUNCIL." THE MILRITE COUNCIL CREATED BY SECTION 4 <—
7 OF THE ACT OF JULY 1, 1978 (P.L.584, NO.109), KNOWN AS THE
8 MILRITE ACT.

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

10 "SIC." Standard ~~Employment~~ INDUSTRIAL Classification as <—
11 designated in the Standard Industrial Classification Manual
12 prepared by the Federal Office of Management and the Budget.

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

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

17 Section 4. Survey.

18 (a) Establishment.--The ~~department shall~~ MILRITE COUNCIL IS <—
19 EMPOWERED TO prepare an annual business survey to ascertain the
20 general and specific health of businesses in this Commonwealth.

21 (b) Preparation.--

22 (1) The survey shall be disseminated to businesses, <—
23 SELECTED BY RANDOM SAMPLE, OR AS MAY BE REQUIRED BY STANDARD
24 RESEARCH METHODS, within this Commonwealth in the first three
25 weeks of July.

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

29 (3) The ~~department~~ MILRITE COUNCIL shall compile data <—
30 from the surveys and prepare a report on the surveys by June

30 of the year after the surveys were disseminated, completed and returned.

(4) The ~~department shall allow~~ MILRITE COUNCIL SHALL USE the surveys and the data generated from the surveys ~~to be used~~ for creating AND UPDATING the State economic model AUTHORIZED under section 5(a). In addition, the surveys and the data generated from the surveys may be made available for other research purposes under section ~~6(e)(7)~~ 5(D).

(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.~~

(6) THE SURVEY MAY INCLUDE REQUESTS FOR CONFIDENTIAL FINANCIAL OR PROPRIETARY INFORMATION, BUT NO BUSINESS SURVEYED SHALL BE REQUIRED TO PROVIDE THIS INFORMATION. THE SURVEY FORM SHALL INDICATE THAT NO BUSINESS SURVEYED IS REQUIRED TO PROVIDE CONFIDENTIAL FINANCIAL OR PROPRIETARY INFORMATION.

(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~~ MILRITE COUNCIL IS EMPOWERED TO establish, ~~in cooperation and consultation with the Milrite Council,~~ a State economic model.

(1) The ~~department may conduct surveys of businesses and~~ MILRITE COUNCIL MAY hire field investigators to obtain economic data for use in constructing the economic model.

(2) The ~~department~~ MILRITE COUNCIL shall update the economic model.

1 (3) The ~~department~~ MILRITE COUNCIL shall require a good <—
2 faith effort by businesses surveyed to provide accurate
3 economic data.

4 (4) The ~~department~~ MILRITE COUNCIL may offer a stipend <—
5 not to exceed \$100 to a sampled business that provides
6 accurate economic data.

7 (b) Function.--The State economic model shall create <—
8 ~~research data for economic forecasting, formulation of policy~~
9 ~~and analysis of policies and programs. The research data created~~
10 ~~by the State economic model and the survey shall be jointly~~
11 ~~utilized to provide the ability to monitor, on the basis of BE~~ <—

12 USED TO:

13 (1) CREATE RESEARCH DATA FOR ECONOMIC FORECASTING.

14 (2) FORMULATE PROPOSED POLICY.

15 (3) ANALYZE EXISTING AND PROPOSED POLICIES AND PROGRAMS.

16 (C) UTILIZATION.--THE RESEARCH DATA CREATED BY THE STATE
17 ECONOMIC MODEL AND THE SURVEY SHALL PROVIDE THE ABILITY TO
18 MONITOR AND EVALUATE, ON THE BASIS OF SIC'S, changes in:

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

20 (2) Employment levels.

21 (3) Products and market needs.

22 (4) Demographics.

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

25 (6) Product inputs, including amounts of labor,
26 materials and capital investment.

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

28 ~~(c) Utilization. The data used for the construction of the~~ <—
29 ~~State economic model and data generated by the State economic~~
30 ~~model shall be available for other research purposes under~~

~~section 6(c)(7). When this data is made available, the~~

(D) AVAILABILITY.--

(1) THE DATA USED FOR THE CONSTRUCTION OF THE STATE ECONOMIC MODEL AND DATA GENERATED BY THE STATE ECONOMIC MODEL SHALL BE AVAILABLE:

(I) TO THE DEPARTMENT, OTHER ADMINISTRATIVE AGENCIES AND THE GENERAL ASSEMBLY FOR USE IN THE DEVELOPMENT OF ECONOMIC AND EMPLOYMENT PROGRAMS AND FOR THE ANALYSIS OF EXISTING AND PROPOSED ECONOMIC AND EMPLOYMENT POLICY AND PROGRAMS.

(II) FOR OTHER RESEARCH PURPOSES UNDER PARAGRAPH

(3).

(2) 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.~~

(3) UPON MAJORITY VOTE, THE MILRITE COUNCIL SHALL DETERMINE, BY REGULATION, STANDARDS AND PROCEDURES FOR PERMITTING REQUESTS FOR THE USE OF DATA GENERATED FROM THE SURVEYS OF INDIVIDUAL BUSINESSES, DATA USED FOR THE CONSTRUCTION OF THE STATE ECONOMIC MODEL AND DATA GENERATED FROM THE STATE ECONOMIC MODEL. REGULATIONS UNDER THIS PARAGRAPH SHALL INCLUDE COST ASSESSMENTS FOR THE USE OF THE MATERIAL. LOWER COSTS MAY BE ASSESSED TO GOVERNMENT AGENCIES, ACADEMIC INSTITUTIONS, NONPROFIT INSTITUTIONS AND THE NEWS MEDIA.

(E) AGREEMENTS.--THE MILRITE COUNCIL SHALL ENTER INTO AGREEMENTS WITH THE GOVERNOR AND THE GENERAL ASSEMBLY FOR THE MILRITE COUNCIL TO PREPARE AND CARRY OUT REQUESTED ECONOMIC AND EMPLOYMENT RESEARCH.

1 (F) COOPERATION.--ADMINISTRATIVE AGENCIES SHALL PROVIDE
2 ASSISTANCE AND INFORMATION TO THE MILRITE COUNCIL UPON REQUEST.
3 THIS SUBSECTION INCLUDES SUCH CONFIDENTIAL INFORMATION AS THE
4 MILRITE COUNCIL DEEMS NECESSARY FOR CARRYING OUT ITS DUTIES
5 UNDER THIS ACT.

6 (G) COST EFFECTIVENESS.--THE ECONOMIC RESEARCH CAPABILITY
7 SHALL BE CREATED IN A COST-EFFECTIVE MANNER. THE MILRITE COUNCIL
8 SHALL PERIODICALLY REVIEW THE COSTS AND USEFULNESS OF THE STATE
9 ECONOMIC MODEL. WHEN POSSIBLE AND APPROPRIATE, EXISTING DATA
10 FROM OTHER ADMINISTRATIVE AGENCIES SHALL BE USED. SURVEYS AND
11 FIELD INVESTIGATIONS SHALL SEEK DATA OR CONFIRMATION OF DATA NOT
12 AVAILABLE FROM OTHER ADMINISTRATIVE AGENCIES.

13 Section 6. Task force.

14 (a) Creation.--~~The~~ A Business Retention and Development Task <—
15 Force is created within the department.

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

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

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

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

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

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

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

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

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

4 ~~(3) Issue a statement of policy detailing voluntary,~~ <—
5 ~~recommended standards of behavior which encompass all of the~~
6 ~~following:~~

7 (3) ENCOURAGE, TAKING INTO CONSIDERATION THE SIZE OF A <—
8 BUSINESS, THE USE OF THE FOLLOWING VOLUNTARY, RECOMMENDED
9 STANDARDS OF BEHAVIOR WHENEVER A PLANT CLOSING OR MAJOR
10 LAYOFF OCCURS:

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

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

19 (iii) Employee and community input. Employers
20 should seek input from employees and the community to
21 maintain the business and employment.

22 (iv) Severance pay. Employers should provide
23 employees with a form of severance pay based on such
24 factors as years of service, compensation level,
25 responsibility level and payment from outside sources.
26 The amount of severance pay should be dependent upon the
27 financial strength of the business.

28 (v) Basic health care. Employers should continue to
29 provide basic coverage for a reasonable length of time,
30 contingent upon the financial strength of the business.

1 If the employer cannot continue to provide the coverage,
2 it should make efforts to find other funding methods.

3 (vi) Outplacement services. Either the employer or
4 the Department of Labor and Industry should provide
5 outplacement services and career continuation workshops,
6 which should include counseling of workers, job fairs and
7 identification of potential employment vacancies.

8 (vii) Intracompany transfers. An employer should
9 fully explore the possibility of transferring affected
10 employees to other locations of the employer's company
11 and should consider assisting the employees in the
12 relocation. An employer should consider priority hiring
13 of affected employees at other locations.

14 (viii) Retraining. An employer should explore
15 retraining employees in skills required for other jobs
16 within the company and elsewhere in the employment
17 market. An employer should make efforts to utilize the
18 services and resources of the Job Training Partnership
19 Act (Public Law 97-300, 96 Stat. 1322) to offer
20 retraining. An employer should also consider private
21 facilities for the retraining of affected employees.

22 (ix) Early retirement incentives. An employer
23 should consider allowing employees to retire early rather
24 than be terminated, transferred or retrained. An employer
25 should consider offering special incentives to high
26 seniority service employees to encourage early
27 retirement.

28 (x) Community relations. An employer should work
29 with the community to redeploy the plant that has been
30 closed. Efforts should include assistance in creating and

1 operating a local economic development program, informing
2 Commonwealth and private economic development agencies of
3 the potential uses and availability of the plant and
4 facility and the sale of the business.

5 (4) Advise the Governor periodically on issues and
6 policy matters pertaining to the well-being of industry in
7 this Commonwealth.

8 (5) Submit an annual report to the Governor, the Chief
9 Clerk of the Senate and the Chief Clerk of the House of
10 Representatives by September 30 of each year. The report
11 shall include:

12 (i) A description of the activities of the
13 industrial service program, including the number of
14 businesses assisted, the number of jobs maintained and
15 efforts to assist workers and communities affected by
16 plant closings or mass layoffs.

17 (ii) Recommendations to improve the performance of
18 the task force.

19 (iii) A description and evaluation of the
20 Commonwealth's industry and community assistance programs
21 relating to industrial plant operations and displacement
22 of workers.

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

25 (6) In order to execute this act:

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

28 (ii) Enter into contracts.

29 (iii) Execute instruments.

30 (iv) Apply for and accept grants, donations,

bequests and devises.

~~(7) Treat utilization of information as follows:~~ <—

~~(i) Upon majority vote, the task force shall determine, by regulation, standards and procedures for permitting requests for the use of the following:~~

~~(A) Individual surveys of businesses.~~

~~(B) Data generated from the surveys of individual businesses.~~

~~(C) Data used for the construction of the State economic model.~~

~~(D) Data generated from the State economic model.~~

~~(ii) Regulations under subparagraph (i) shall include cost assessments for the use of the material. Lower costs may be assessed to government agencies, academic institutions, nonprofit institutions and the news media.~~

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

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

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

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

(4) ASSIST THE FORMATION AND OPERATION OF LABOR AND MANAGEMENT COOPERATIVE PROGRAMS OR JOINT EFFORTS BETWEEN EMPLOYEES AND EMPLOYERS TOWARD JOB RETENTION, RETRAINING OR

<—

1 JOB PLACEMENT.

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

4 Section 7. Regulations.

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

8 Section 8. Penalties.

9 ~~A person who violates section 4(b)(2) commits a summary~~ <—
10 ~~offense and shall, upon conviction, be sentenced to pay a fine~~
11 ~~of \$50. Each day of noncompliance constitutes a separate~~
12 ~~offense.~~

13 AN OFFICER OR EMPLOYEE OF THE COMMONWEALTH WHO INTENTIONALLY <—
14 OR KNOWINGLY DISCLOSES CONFIDENTIAL INFORMATION OBTAINED UNDER
15 THE AUTHORITY OF THIS ACT COMMITS A MISDEMEANOR OF THE THIRD
16 DEGREE.

17 SECTION 9. STAFF.

18 THE MILRITE COUNCIL MAY HIRE STAFF AS IT DEEMS NECESSARY TO
19 CARRY OUT THE PURPOSES OF THIS ACT.

20 SECTION 10. PROJECT DEVELOPMENT STUDY.

21 (A) UNDERTAKING.--THE MILRITE COUNCIL SHALL UNDERTAKE A
22 PROJECT DEVELOPMENT STUDY OF THE ECONOMIC RESEARCH CAPABILITY
23 AUTHORIZED UNDER SECTION 5. THE STUDY SHALL DETERMINE THE MOST
24 COST-EFFECTIVE RESEARCH CAPABILITY TO BE INITIALLY DEVELOPED AND
25 UTILIZED.

26 (B) COOPERATION.--THE MILRITE COUNCIL SHALL WORK IN
27 COOPERATION WITH THE JOINT STATE LEGISLATIVE COMMITTEE ON JOBS
28 AND THE ECONOMY, CREATED UNDER SECTION 11.

29 SECTION 11. JOINT STATE LEGISLATIVE COMMITTEE ON JOBS AND THE
30 ECONOMY.

(A) CREATION.--THE JOINT STATE LEGISLATIVE COMMITTEE ON JOBS
AND THE ECONOMY IS CREATED TO:

(1) COORDINATE THE INTERESTS OF THE MILRITE COUNCIL AND
OF THE GENERAL ASSEMBLY.

(2) TO FUNCTION AS A BIPARTISAN LEGISLATIVE FORUM LINKED
TO THE STANDING COMMITTEE STRUCTURE ON JOBS AND ECONOMIC
POLICY.

(B) MEMBERSHIP.--THE COMMITTEE SHALL CONSIST OF THE
FOLLOWING 12 MEMBERS:

(1) THE FOUR LEGISLATIVE MEMBERS OF THE MILRITE COUNCIL.

(2) THE MAJORITY AND MINORITY CHAIRMEN OF THE BUSINESS
AND COMMERCE AND LABOR RELATIONS COMMITTEES OF THE HOUSE OF
REPRESENTATIVES.

(3) THE MAJORITY AND MINORITY CHAIRMEN OF THE COMMUNITY
AND ECONOMIC DEVELOPMENT AND LABOR AND INDUSTRY COMMITTEES OF
THE SENATE.

SECTION 12. APPROPRIATION.

THE SUM OF \$200,000, OR AS MUCH THEREOF AS MAY BE NECESSARY,
IS HEREBY APPROPRIATED TO THE MILRITE COUNCIL FOR THE FISCAL
YEAR JULY 1, 1985, TO JUNE 30, 1986, TO CARRY OUT THE PROVISIONS
OF THIS ACT. SECTION 301(11) OF THE ACT OF OCTOBER 15, 1980
(P.L.950, NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS ACT, DOES
NOT APPLY TO MONEY SPENT UNDER THIS APPROPRIATION.

Section 9 13. Effective date.

This act shall take effect in 60 days.

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