
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1390 Session of
1993

INTRODUCED BY RICHARDSON, EVANS, DeWEESE, HUGHES, RITTER, JAMES,
CALTAGIRONE, TRICH, ROBINSON, PETRONE, CAWLEY, ITKIN, BISHOP,
M. COHEN, OLIVER, COWELL, ROEBUCK, CARN, KELLER, THOMAS,
WILLIAMS, MANDERINO, ACOSTA, DALEY, STURLA, BEBKO-JONES,
CURRY, KUKOVICH, KIRKLAND AND PESCI, APRIL 21, 1993

REFERRED TO COMMITTEE ON HEALTH AND WELFARE, APRIL 21, 1993

AN ACT

1 Establishing the Employment and Training Support Services Trust
2 Fund; providing for a referendum for incurring indebtedness
3 in the amount of \$10,000,000 for supportive services and
4 transitional financial assistance in accordance with the
5 Employment Opportunities Act; and directing the Department of
6 Public Welfare to administer the fund.

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

9 Section 1. Short title.

10 This act shall be known and may be cited as the Employment
11 and Training Support Services Trust Fund Act.

12 Section 2. Trust fund established.

13 There is hereby established in the Treasury Department a
14 special fund to be known as the Employment and Training Support
15 Services Trust Fund. Moneys to be deposited in the fund shall be
16 used for the purpose of providing supportive services and
17 transitional financial assistance as required by the act of July
18 13, 1987 (P.L.342, No.65), known as the Employment Opportunities

1 Act.

2 Section 3. Financing of trust fund.

3 (a) Referendum.--The question of incurring indebtedness in
4 the amount of \$10,000,000 for the purpose of providing
5 supportive services and transitional financial assistance as
6 required by the act of July 13, 1987 (P.L.342, No.65), known as
7 the Employment Opportunities Act, shall be submitted to the
8 electors at the next municipal, primary or general election
9 following enactment of this act. The Secretary of the
10 Commonwealth shall certify the form of the question to the
11 county boards of elections.

12 (b) Referendum adopted.--

13 (1) In the event that the majority of the electors
14 voting on the referendum question approve the question, the
15 issuing officials are authorized and directed to borrow, on
16 the credit of the Commonwealth, pursuant to section 7(a)(3)
17 of Article VIII of the Constitution of Pennsylvania and the
18 referendum approved by the electorate, the sum of \$10,000,000
19 to carry out the purposes of this act. This sum shall not
20 include money borrowed to refund outstanding bonds, notes or
21 replacement notes.

22 (2) As evidence of the indebtedness authorized in this
23 act, general obligation bonds of the Commonwealth shall be
24 issued, to provide moneys necessary to carry out the purposes
25 of this act for such total amounts, in such form, in such
26 denominations and subject to such terms and conditions of
27 issue, redemption and maturity, rate of interest and time of
28 payment of interest as the issuing officials direct, except
29 that the latest stated maturity date shall not exceed 20
30 years from the date of the first obligation issued to

1 evidence the debt.

2 (3) All bonds and notes issued under the authority of
3 this act shall bear facsimile signatures of the issuing
4 official and a facsimile of the seal of the Commonwealth and
5 shall be countersigned by a duly authorized officer of a duly
6 authorized loan and transfer agent of the Commonwealth.

7 (4) All bonds and notes issued in accordance with the
8 provisions of this section shall be direct obligations of the
9 Commonwealth, and the full faith and credit of the
10 Commonwealth are hereby pledged for the payment of the
11 interest thereon, as it becomes due, and the payment of the
12 principal at maturity. The principal of and interest on the
13 bonds and notes shall be payable in lawful money of the
14 United States.

15 (5) All bonds and notes issued under the provisions of
16 this section shall be exempt from taxation for State and
17 local purposes.

18 (6) The bonds may be issued as coupon bonds or
19 registered as to both principal and interest as the issuing
20 officials may determine. If interest coupons are attached,
21 they shall contain the facsimile signature of the State
22 Treasurer.

23 (7) The issuing officials shall provide for the
24 amortization of the bonds in substantial and regular amounts
25 over the term of the debt so that the bonds of each issue
26 allocated to the programs to be funded from the bond issue
27 shall mature within a period not to exceed the appropriate
28 amortization period for each program as specified by the
29 issuing officials, but in no case in excess of 20 years.

30 (8) The issuing officials are authorized to provide, by

1 resolution, for the issuance of refunding bonds for the
2 purpose of refunding any debt issued under the provisions of
3 this act and then outstanding, either by voluntary exchange
4 with the holders of the outstanding debt or by providing
5 funds to redeem and retire the outstanding debt with accrued
6 interest, any premium payable thereon and the costs of
7 issuance and retirement of the debt, at maturity or at any
8 call date. The issuance of the refunding bonds, the
9 maturities, and other details thereof, the rights of the
10 holders thereof and the duties of the issuing officials in
11 respect thereto shall be governed by the provisions of this
12 section insofar as they may be applicable. Refunding bonds,
13 which are not subject to the aggregate limitation of
14 \$10,000,000 of debt to be issued pursuant to this act, may be
15 issued by the issuing officials to refund debt originally
16 issued or to refund bonds previously issued for refunding
17 purposes.

18 (9) Whenever any action is to be taken or decision made
19 by the Governor, the Auditor General and the State Treasurer
20 acting as issuing officials and the three officers are not
21 able to agree unanimously, the action or decision of the
22 Governor and either the Auditor General or the State
23 Treasurer shall be binding and final.

24 (10) Issuing officials shall mean the Governor, the
25 Auditor General and the State Treasurer.

26 (c) Sale of bonds.--

27 (1) Whenever bonds are issued, they shall be offered for
28 sale at not less than 98% of the principal amount and accrued
29 interest and shall be sold by the issuing officials to the
30 highest and best bidder or bidders after due public

1 advertisement on the terms and conditions and upon such open
2 competitive bidding as the issuing officials direct. The
3 manner and character of the advertisement and the time of
4 advertising shall be prescribed by the issuing officials. No
5 commission shall be allowed or paid for the sale of any bonds
6 issued under the authority of this act.

7 (2) Any portion of any bond issue so offered and not
8 sold or subscribed for at public sale may be disposed of by
9 private sale by the issuing officials in such manner and at
10 such prices, not less than 98% of the principal amount and
11 accrued interest, as the Governor directs. No commission
12 shall be allowed or paid for the sale of any bonds issued
13 under the authority of this act.

14 (3) When bonds are issued from time to time, the bonds
15 of each issue shall constitute a separate series to be
16 designated by the issuing officials or may be combined for
17 sale as one series with other general obligation bonds of the
18 Commonwealth.

19 (4) Until permanent bonds can be prepared, the issuing
20 officials may in their discretion issue, in lieu of permanent
21 bonds, temporary bonds in such form and with such privileges
22 as to registration and exchange for permanent bonds as may be
23 determined by the issuing officials.

24 (5) The proceeds realized from the sale of bonds and
25 notes, except refunding bonds and replacement notes, under
26 the provisions of this act shall be paid into a special fund
27 in the State Treasury, to be known as the Employment and
28 Training Support Services Trust Fund and are specifically
29 dedicated to the purposes set forth in this act. The proceeds
30 shall be paid by the State Treasurer, periodically, to the

1 Department of Public Welfare at such times and in such
2 amounts as may be necessary to satisfy the funding needs of
3 the department. The proceeds of the sale of refunding bonds
4 and replacement notes shall be paid to the State Treasurer
5 and applied to the payment of principal, the accrued interest
6 and premium, if any, and the cost of redemption of the bonds
7 and notes for which such obligations shall have been issued.

8 (6) Pending their application for the purposes
9 authorized, moneys held or deposited by the State Treasurer
10 may be invested or reinvested as are other funds in the
11 custody of the State Treasurer in the manner provided by law.
12 All earnings received from the investment or deposit of such
13 funds shall be paid into the State Treasury to the credit of
14 the fund. Such earnings in excess of bond discounts allowed,
15 expenses paid for the issuance of bonds and notes, and
16 interest arbitrage rebates due to the Federal Government
17 shall be transferred annually to the fund.

18 (7) The Auditor General shall prepare the necessary
19 registry book, to be kept in the office of the duly
20 authorized loan and transfer agent of the Commonwealth, for
21 the registration of any bonds, at the request of owners
22 thereof, according to the terms and conditions of issue
23 directed by the issuing officials.

24 (8) There is hereby appropriated to the State Treasurer
25 from the fund as much money as may be necessary for all costs
26 and expenses in connection with the issue of and sale and
27 registration of the bonds and notes in connection with this
28 act and the payment of interest arbitrage rebates or proceeds
29 of such bonds and notes.

30 (d) Temporary financing authorization.--

1 (1) Pending the issuance of bonds of the Commonwealth as
2 authorized, the issuing officials are hereby authorized, in
3 accordance with the provisions of this act and on the credit
4 of the Commonwealth, to make temporary borrowings, not to
5 exceed three years, in anticipation of the issue of bonds in
6 order to provide funds in such amounts as may, from time to
7 time, be deemed advisable prior to the issue of bonds. In
8 order to provide for and in connection with such temporary
9 borrowings, the issuing officials are hereby authorized, in
10 the name and on behalf of the Commonwealth, to enter into any
11 purchase, loan or credit agreement or agreements, or other
12 agreement or agreements, with any banks or trust companies or
13 other lending institutions, investment banking firms or
14 persons in the United States having power to enter into the
15 same, which agreements may contain such provisions, not
16 inconsistent with the provisions of this act, as may be
17 authorized by the issuing officials.

18 (2) All temporary borrowings made under the
19 authorization of this section shall be evidenced by notes of
20 the Commonwealth, which shall be issued, from time to time,
21 for such amounts not exceeding in the aggregate the
22 applicable statutory and constitutional debt limitation, in
23 such form and in such denominations and subject to terms and
24 condition of sale and issue, prepayment or redemption and
25 maturity, rate or rates of interest and time of payment of
26 interest as the issuing officials shall authorize and direct
27 and in accordance with this act. Such authorization and
28 direction may provide for the subsequent issuance of
29 replacement notes to refund outstanding notes or replacement
30 notes, which replacement notes shall, upon issuance thereof,

1 evidence such borrowing, and may specify such other terms and
2 conditions with respect to the notes and replacement notes
3 thereby authorized for issuance as the issuing officials may
4 determine and direct.

5 (3) When the authorization and direction of the issuing
6 officials provide for the issuance of replacement notes, the
7 issuing officials are hereby authorized, in the name and on
8 behalf of the Commonwealth, to issue, enter into or authorize
9 and direct the State Treasurer to enter into agreements with
10 any banks, trust companies, investment banking firms or other
11 institutions or persons in the United States having the power
12 to enter the same:

13 (i) To purchase or underwrite an issue or series of
14 issues of notes.

15 (ii) To credit, to enter into any purchase, loan or
16 credit agreements, to draw moneys pursuant to any such
17 agreements on the terms and conditions set forth therein
18 and to issue notes as evidence of borrowings made under
19 any such agreements.

20 (iii) To appoint an issuing and paying agent or
21 agents with respect to notes.

22 (iv) To do such other acts as may be necessary or
23 appropriate to provide for the payment, when due, of the
24 interest on and the principal of such notes.

25 Such agreements may provide for the compensation of any
26 purchasers or underwriters of notes or replacement notes by
27 discounting the purchase price of the notes or by payment of
28 a fixed fee or commission at the time of issuance thereof,
29 and all other costs and expenses, including fees for
30 agreements related to the notes, issuing and paying agent

1 costs and costs and expenses of issuance, may be paid from
2 the proceeds of the notes.

3 (4) When the authorization and direction of the issuing
4 officials provide for the issuance of replacement notes, the
5 State Treasurer shall, at or prior to the time of delivery of
6 these notes or replacement notes, determine the principal
7 amounts, dates of issue, interest rate or rates (or
8 procedures for establishing such rates from time to time),
9 rates of discount, denominations and all other terms and
10 conditions relating to the issuance, and shall perform all
11 acts and things necessary to pay or cause to be paid, when
12 due, all principal of and interest on the notes being
13 refunded by replacement notes and to assure that the same may
14 draw upon any moneys available for that purpose pursuant to
15 any purchase, loan or credit agreements established with
16 respect thereto, all subject to the authorization and
17 direction of the issuing officials.

18 (5) Outstanding notes evidencing such borrowings may be
19 funded and retired by the issuance and sale of the bonds of
20 the Commonwealth as hereinafter authorized. The refunding
21 bonds must be issued and sold not later than a date three
22 years after the date of issuance of the first notes
23 evidencing such borrowings to the extent that payment of such
24 notes has not otherwise been made or provided for by sources
25 other than proceeds of replacement notes.

26 (6) The proceeds of all such temporary borrowing shall
27 be paid to the State Treasurer to be held and disposed of in
28 accordance with the provisions of this act.

29 (e) Debt retirement.--

30 (1) All bonds issued under the authority of this act

1 shall be redeemed at maturity, together with all interest
2 due, from time to time, on the bonds, and these principal and
3 interest payments shall be paid from the fund.

4 (2) If the moneys received in a given fiscal year from
5 the sources set forth in paragraph (2) exceed the amount
6 necessary to repay the principal and interest that will
7 become payable during that same fiscal year, the excess
8 moneys shall be deposited in the trust fund and used for the
9 purposes of this act.

10 (3) If additional moneys are needed for the specific
11 purpose of redeeming the bonds at maturity and paying all
12 interest thereon in accordance with the information received
13 from the Governor, the General Assembly shall appropriate to
14 the fund such additional moneys as may be needed for the
15 payment of interest on the bonds and notes and the principal
16 thereof at maturity.

17 (4) The State Treasurer, with the approval of the
18 Governor, is authorized at any time to use any of the moneys
19 in the fund not necessary for the purposes of this act, for
20 the purchase and retirement of all or any part of the bonds
21 and notes issued pursuant to the authorization of this act.
22 In the event that all or any part of the bonds and notes are
23 purchased, they shall be canceled and returned to the loan
24 and transfer agent as canceled and paid bonds and notes; and,
25 thereafter, all payments of interest thereon shall cease, and
26 the canceled bonds, notes and coupons, together with any
27 other canceled bonds, notes and coupons, shall be destroyed
28 as promptly as possible after cancellation, but not later
29 than two years after cancellation. A certificate evidencing
30 the destruction of the canceled bonds, notes and coupons

1 shall be provided by the loan and transfer agent to the
2 issuing officials. All canceled bonds, notes and coupons
3 shall be so marked as to make the canceled bonds, notes and
4 coupons nonnegotiable.

5 (5) The State Treasurer shall determine and report to
6 the Secretary of the Budget, by November 1 of each year, the
7 amount of money necessary for the payment of interest on
8 outstanding obligations and the principal of the obligations,
9 if any, for the following fiscal year, and the times and
10 amounts of the payments. It shall be the duty of the Governor
11 to include in every budget submitted to the General Assembly
12 full information relating to the issuance of bonds and notes
13 under the provisions of this act and the status of the fund
14 for the payment of interest on the bonds and notes and the
15 principal thereof at maturity.

16 Section 4. Effective date.

17 This act shall take effect in 60 days.