

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1313 Session of
2005

INTRODUCED BY BOYD, HARRIS, CAPPELLI, GRELL, THOMAS, TURZAI,
R. MILLER, WILT, CLYMER, HERSHEY, TRUE, FAIRCHILD, DENLINGER,
CREIGHTON, HICKERNELL, HUTCHINSON, ROHRER, ARMSTRONG,
GINGRICH, REICHLEY, MUSTIO, E. Z. TAYLOR, SAYLOR, O'NEILL,
YOUNGBLOOD, HENNESSEY, NICKOL AND KAUFFMAN, APRIL 11, 2005

AS REPORTED FROM COMMITTEE ON LABOR RELATIONS, HOUSE OF
REPRESENTATIVES, AS AMENDED, MAY 11, 2005

AN ACT

1 Amending the act of December 5, 1936 (2nd Sp.Sess., 1937
2 P.L.2897, No.1), entitled "An act establishing a system of
3 unemployment compensation to be administered by the
4 Department of Labor and Industry and its existing and newly
5 created agencies with personnel (with certain exceptions)
6 selected on a civil service basis; requiring employers to
7 keep records and make reports, and certain employers to pay
8 contributions based on payrolls to provide moneys for the
9 payment of compensation to certain unemployed persons;
10 providing procedure and administrative details for the
11 determination, payment and collection of such contributions
12 and the payment of such compensation; providing for
13 cooperation with the Federal Government and its agencies;
14 creating certain special funds in the custody of the State
15 Treasurer; and prescribing penalties," further providing for
16 State Unemployment Compensation Advisory Council.

17 The General Assembly of the Commonwealth of Pennsylvania
18 hereby enacts as follows:

19 Section 1. Section 204.1(k) of the act of December 5, 1936
20 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment
21 Compensation Law, added July 1, 1985 (P.L.96, No.30), is amended
22 to read:

23 Section 204.1. State Unemployment Compensation Advisory

1 Council.--* * *

2 (k) The department shall also prepare and present to the
3 Governor and the General Assembly, on or before the first day of
4 March of each year, an evaluation of the financial operations of
5 the unemployment compensation program, together with its
6 findings and recommendations for developing and improving
7 solvency of the fund and adjusting and regulating income and
8 disbursements in the fields of contributions and benefits. Such
9 report shall include the presentation of the current economic
10 trends, statistics and analyses on which the evaluation is
11 based. This evaluation shall include all of the following:

12 (1) Statistics relating to population, labor force and
13 covered labor force.

14 (2) Claims data.

15 (3) Payment data.

16 (4) Minimum, maximum, average weekly benefit amount and
17 minimum earnings requirement.

18 (5) Federal-State extended benefits program.

19 (6) Number of nonmonetary determinations for unemployment
20 benefits.

21 (7) Experience of reimbursable and contributory employers.

22 (8) Tax rates by industry, taxable payroll, total payroll
23 and number of employers.

24 (9) Disbursements from the unemployment fund.

25 (10) Income of the unemployment fund.

26 (11) Difference between income and disbursements of the
27 unemployment fund.

28 (12) Status of the unemployment fund.

29 (13) Experience rating factors of insured employers.

30 (14) Net reserve or deficit of active employer accounts.

(15) Reserve ratio contributions received.

(16) Benefit ratio contributions received.

(17) Number of claimants who, in the most recent full fiscal year and in the previous year, filed a claim.

(18) Average annual claim duration during the past ten fiscal years.

(19) Number of claimants who were:

(i) reviewed for failure to be available for work; and

(ii) denied further eligibility:

(20) Degree to which new hire reports are utilized in detecting and preventing improper payments.

(21) Number of improper payments identified in the previous fiscal year, including faulty overpayments and nonfault-recoupable and nonfault-nonrecoupable overpayments.

(22) Number of appeals filed each fiscal year during the past ten fiscal years.

(23) Breakdown of how appeals were decided each fiscal year during the past ten fiscal years.

(24) Number of appeals overturned each fiscal year during the past ten fiscal years.

(25) Amount spent by the Commonwealth on employment services in the previous fiscal year, including Workforce Investment Act funds and the Trade Readjustment Act/Trade Adjustment Assistance as in the Trade Act of 1974 (Public Law 93-618, 19 U.S.C. § 2101 et seq.).

(26) All of the following:

(i) Number of Workforce Investment Act of 1998 (Public Law 105-220, 112 Stat. 936) claimants referred to CareerLink the previous fiscal year.

(ii) Percentages of those referred who ultimately utilized

1 the CareerLink services and types of services utilized.

2 (27) Number of new hires who were reported in this
3 Commonwealth in the previous fiscal year.

4 (28) All of the following:

5 (i) Number of available positions posted with the
6 CareerLink.

7 (ii) Number of positions filled through the CareerLink.

8 (iii) Average time to fill the positions.

9 (29) All of the following:

10 (i) Number of job referrals made by the CareerLink.

11 (ii) Average length of time it took to refer a claimant to a
12 potential job.

13 (30) Number of employers who came to CareerLink asking for
14 potential job referrals and interviews with candidates.

15 (31) All of the following:

16 (i) Number of audits of employers completed during the past
17 ten fiscal years, as a percentage of all employers.

18 ~~(ii) Number of audits during the past ten fiscal years which~~ <—
19 ~~found error or intentional misreporting by the employer.~~

20 ~~(iii) Number of employes found during the past ten fiscal~~
21 ~~years to be misclassified in the audits.~~

22 (II) NUMBER OF AUDITS DURING THE PAST TEN FISCAL YEARS THAT <—
23 FOUND AN OVERREPORTING OF TAXABLE WAGES OR AN UNDERREPORTING OF
24 TAXABLE WAGES.

25 (III) SINCE 2000, THE NUMBER OF EMPLOYES FOUND TO BE
26 MISCLASSIFIED IN THE AUDITS.

27 (iv) Information on audits of specific industries which have
28 shown a high rate of misclassification or other form of
29 underreporting.

30 ~~(32) Total amount of outstanding back unemployment~~ <—

1 (32) ALL OF THE FOLLOWING:

<—

2 (I) TOTAL AMOUNT OF OUTSTANDING BACK UNEMPLOYMENT

3 compensation taxes owed to the Commonwealth by employers at the
4 commencement of fiscal year 2005-2006.

5 (II) TOTAL AMOUNT OF INTEREST AND PENALTIES ASSESSED ON LATE

<—

6 EMPLOYER TAX RETURNS AND CONTRIBUTION PAYMENTS AND THE TOTAL

7 AMOUNT OF INTEREST AND PENALTIES PAID BY ALL EMPLOYERS FOR EACH

8 OF THE LAST TEN YEARS.

9 (33) Number of claims filed during the past ten fiscal years
10 in which a field investigation found that an employer failed to
11 report wages and the amount of benefits paid in the claim.

12 (34) All of the following:

13 (i) Average number of months required to complete a field
14 investigation into the reporting of wages.

15 (ii) Number and total amount of fraud charges filed against
16 employers during the past ten fiscal years.

17 ~~(ii) Number of claims during the past ten fiscal years in~~

<—

18 (35) ALL OF THE FOLLOWING:

<—

19 (I) NUMBER OF CLAIMS DURING THE PAST TEN FISCAL YEARS IN
20 which the claimant's primary language is other than English,
21 broken down by languages and number of claimants.

22 (II) TO THE EXTENT AVAILABLE, INFORMATION ON THE POPULATION
23 OF INITIAL CLAIMS AND DENIALS BY RACE, GENDER, ORIGIN AND
24 INDUSTRY OF LAST JOB. IN THE EVENT THIS INFORMATION IS NOT
25 PRESENTLY COLLECTED SUCH INFORMATION SHALL BE COLLECTED AND
26 REPORTED PROSPECTIVELY.

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27 ~~(35)~~ (36) All of the following:

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28 (i) Procedures established and used to identify unlawful
29 business transfers and other unlawful practices which avoid
30 payment of unemployment insurance contributions.

1 (ii) Number of new accounts established during the past ten
2 fiscal years and number which were audited to determine whether
3 accounts were established to lower a tax rate.

4 ~~(36)~~ (37) Number of workers denied benefits during the past <—
5 ten fiscal years for:

6 (i) monetary eligibility reasons; and
7 (ii) separation reasons, both voluntary quit and willful
8 misconduct.

9 ~~(37)~~ (38) Information for the past ten fiscal years <—
10 indicating the party (employer, agency or claimant) responsible
11 for improper denials.

12 (39) USING THE BENEFIT ACCURACY MEASUREMENT PROGRAM, THE <—
13 ESTIMATED DOLLAR AMOUNT OF CLAIMS PAID PROPERLY, OVERPAID AND
14 UNDERPAID FOR THE LAST TEN FISCAL YEARS OR THE PERIOD THE
15 INFORMATION IS AVAILABLE, WHICHEVER IS LESS.

16 (40) TO THE EXTENT THAT DATA IS AVAILABLE, THE ESTIMATE OF
17 THE NUMBER OF COMPLAINTS TO THE DEPARTMENT DURING THE PAST FIVE
18 YEARS BY BOTH CLAIMANTS AND EMPLOYERS CONCERNING UNEMPLOYMENT
19 COMPENSATION SERVICES, INCLUDING THE NATURE OF THE SEVEN MOST
20 FREQUENT COMPLAINTS.

21 (41) ALL OF THE FOLLOWING:

22 (I) THE TOTAL NUMBER OF DETERMINATIONS ISSUED UNDER SECTION
23 402.4 ITEMIZED, IF POSSIBLE, BY VALID AND INVALID
24 DETERMINATIONS.

25 (II) THE TOTAL NUMBER OF DETERMINATIONS ISSUED UNDER SECTION
26 402(H).

27 Section 2. This act shall take effect in 60 days.