

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 511 Session of
2005

INTRODUCED BY GORDNER, RHOADES, WONDERLING, RAFFERTY, STOUT,
ERICKSON, COSTA, PILEGGI, KITCHEN, ORIE, LOGAN, PIPPY AND
WAUGH, APRIL 4, 2005

AS REPORTED FROM COMMITTEE ON EDUCATION, HOUSE OF
REPRESENTATIVES, AS AMENDED, JUNE 28, 2005

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, IN FAMILY SAVINGS ACCOUNT ←
12 PROGRAM, FOR DEFINITIONS AND FOR ADMINISTRATION; AND further
13 providing, in technology work experience, for definitions,
14 for approved courses, for emerging technology companies, for
15 responsibility of approved educational institutions and for
16 eligible interns.

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

19 ~~Section 1. Section 3101, 3102(c) and (d), 3104 and 3106(a)~~ ←
20 ~~and (b) of the act of June 29, 1996 (P.L.434, No.67), known as~~
21 ~~the Job Enhancement Act, added November 6, 2003 (P.L.205,~~
22 ~~No.34), are amended to read:~~

23 SECTION 1. THE DEFINITION OF "APPROVED PLAN" IN SECTION 2101 ←

1 OF THE ACT OF JUNE 29, 1996 (P.L.434, NO.67), KNOWN AS THE JOB
2 ENHANCEMENT ACT, AMENDED JUNE 22, 2000 (P.L.310, NO.29), IS
3 AMENDED TO READ:

4 SECTION 2101. DEFINITIONS.

5 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
6 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
7 CONTEXT CLEARLY INDICATES OTHERWISE:

8 * * *

9 "APPROVED PLAN." A PLAN DEVELOPED FOR AN INDIVIDUAL SAVER
10 DEFINING SAVINGS GOALS AND PROGRAM REQUIREMENTS, INCLUDING THE
11 SAVER'S ANTICIPATED USE OF BOTH THE SAVINGS AND THE MATCH. THE
12 APPROVED PLAN SHALL SERVE AS THE CONTRACT BETWEEN THE SAVER AND
13 THE SERVICE PROVIDER AND SHALL BE FOR A CONTRIBUTION PERIOD OF
14 NOT LESS THAN 12 MONTHS NOR MORE THAN [24] 36 MONTHS.

15 * * *

16 SECTION 2. SECTION 2102(D), (E) AND (F) OF THE ACT, AMENDED
17 JUNE 22, 2000 (P.L.310, NO.29), ARE AMENDED TO READ:

18 SECTION 2102. ADMINISTRATION.

19 * * *

20 (D) GRANTS.--

21 (1) THE DEPARTMENT SHALL MAKE A GRANT TO A SERVICE
22 PROVIDER FROM WHICH THE SERVICE PROVIDER SHALL PROVIDE THE
23 MATCH FOR APPROVED PLANS. A SERVICE PROVIDER SHALL DEPOSIT
24 ALL GRANT FUNDS IN A SEPARATE ACCOUNT AT A FINANCIAL
25 INSTITUTION UNTIL THE FUNDS ARE WITHDRAWN TO PROVIDE THE
26 REQUIRED MATCH FOR A SAVER OR ARE RETURNED TO THE
27 COMMONWEALTH. GRANTS TO SERVICE PROVIDERS SHALL BE MADE FROM
28 AND LIMITED TO FUNDS APPROPRIATED FOR THIS PURPOSE.

29 (2) IF A SAVER'S APPROVED PLAN IS MODIFIED AND THE MATCH
30 IS REDUCED OR A SAVER DROPS OUT OF THE PROGRAM WITHIN THE

1 FISCAL YEAR IN WHICH THE GRANT WAS MADE TO THE SERVICE
2 PROVIDER OR THE NEXT FISCAL YEAR, THE SERVICE PROVIDER MAY
3 REASSIGN THE GRANT FUNDS TO OTHER SAVERS WITH APPROVED PLANS
4 WITHIN THIS TIME PERIOD. ANY GRANT FUNDS REMAINING UNASSIGNED
5 AT THE END OF THE FISCAL YEAR IN WHICH THE GRANT WAS MADE TO
6 THE SERVICE PROVIDER OR THE NEXT FISCAL YEAR MUST BE RETURNED
7 TO THE COMMONWEALTH AS PROVIDED IN PARAGRAPH (3). IF A
8 SAVER'S APPROVED PLAN IS MODIFIED AND THE MATCH IS REDUCED OR
9 A SAVER DROPS OUT OF THE PROGRAM AFTER THE FISCAL YEAR IN
10 WHICH THE GRANT WAS MADE TO THE SERVICE PROVIDER OR THE
11 [NEXT] SECOND SUCCEEDING FISCAL YEAR, THE SERVICE PROVIDER
12 MUST RETURN THE UNUSED GRANT FUNDS TO THE COMMONWEALTH AS
13 PROVIDED IN PARAGRAPH (3).

14 (3) SERVICE PROVIDERS SHALL RETURN ANY FUNDS DUE THE
15 COMMONWEALTH PURSUANT TO GUIDELINES PUBLISHED BY THE
16 DEPARTMENT BUT NO LATER THAN QUARTERLY.

17 (4) A SERVICE PROVIDER SHALL BE ELIGIBLE FOR
18 ADMINISTRATIVE AND COUNSELING COSTS IN AN AMOUNT DETERMINED
19 BY THE DEPARTMENT. NO MORE THAN 9.5% OF FUNDS ANNUALLY
20 APPROPRIATED FOR THIS PROGRAM MAY BE USED TO REIMBURSE
21 SERVICE PROVIDERS FOR ELIGIBLE ADMINISTRATIVE AND COUNSELING
22 COSTS OF WHICH NO MORE THAN 5% MAY BE USED FOR ADMINISTRATIVE
23 COSTS. THE DEPARTMENT MAY APPROVE THE USE OF INTEREST
24 EARNINGS ON GRANT FUNDS HELD BY SERVICE PROVIDERS AS A
25 PORTION OF A SERVICE PROVIDER'S APPROVED ADMINISTRATIVE AND
26 COUNSELING COSTS. ELIGIBLE COUNSELING COSTS SHALL INCLUDE,
27 BUT NOT BE LIMITED TO, COSTS ASSOCIATED WITH INTERVIEWING
28 POTENTIAL SAVERS, ENROLLING SAVERS, MONITORING A SAVER'S
29 PROGRESS TOWARD FULFILLING THE TERMS OF AN APPROVED PLAN AND
30 PROVIDING PERIODIC MONEY MANAGEMENT AND FINANCIAL SKILLS

1 MEETINGS FOR SAVERS TO FOSTER THE HABIT OF CONTINUED SAVING.
2 THE DEPARTMENT SHALL DETERMINE ELIGIBLE ADMINISTRATIVE COSTS.

3 (E) ELIGIBILITY FOR MATCH.--AN ENROLLED SAVER WITH AN
4 APPROVED PLAN AND ACCOUNT MONITORED BY A SERVICE PROVIDER MUST
5 FULFILL THE REQUIREMENTS OF THE APPROVED PLAN FOR A MINIMUM OF
6 12 MONTHS BUT NOT MORE THAN [24] 36 MONTHS. THE SAVER SHALL
7 PRESENT SATISFACTORY EVIDENCE TO THE SERVICE PROVIDER ON A
8 QUARTERLY BASIS THAT THE SAVINGS REQUIREMENTS ARE BEING MET.

9 (F) RESTRICTIONS ON WITHDRAWAL.--

10 (1) IN ORDER TO OBTAIN THE MATCH, THE SAVER MUST PRESENT
11 SATISFACTORY EVIDENCE TO THE SERVICE PROVIDER THAT THE AMOUNT
12 BEING WITHDRAWN FROM THE SAVER'S FAMILY SAVINGS ACCOUNT IS
13 BEING USED FOR AN ELIGIBLE USE. WITHDRAWALS FROM A FAMILY
14 SAVINGS ACCOUNT FOR AN ELIGIBLE USE BY A SAVER SHALL BE MADE
15 PAYABLE TO THE LEGAL ENTITY WHICH PROVIDES THE ELIGIBLE USE.

16 (2) THE MATCH SHALL BE PAID BY THE SERVICE PROVIDER TO
17 THE LEGAL ENTITY WHICH PROVIDES THE ELIGIBLE USE. THE MATCH
18 SHALL NOT BE PAID TO THE SAVER.

19 (3) A MATCH WHICH HAS NOT BEEN PAID FOR AN ELIGIBLE USE
20 WITHIN [THREE] FIVE YEARS AFTER THE END OF THE CONTRIBUTION
21 PERIOD SHALL BE RETURNED TO THE COMMONWEALTH FOR DEPOSIT IN
22 THE STATE TREASURY.

23 (4) A SAVER WHO FAILS TO MEET THE SAVINGS GOAL SET FORTH
24 IN THE APPROVED PLAN OR WHO DECIDES TO DROP OUT OF THE
25 PROGRAM SHALL TERMINATE HIS APPROVED PLAN WITH THE SERVICE
26 PROVIDER ACCORDING TO PROCEDURES DETERMINED BY THE
27 DEPARTMENT. UPON THE TERMINATION OF AN APPROVED PLAN BETWEEN
28 A SAVER AND A SERVICE PROVIDER, THE SERVICE PROVIDER SHALL
29 REASSIGN OR RETURN THE MATCHING FUNDS ACCORDING TO THE
30 PROVISIONS OF SUBSECTION (D), AND THE SAVER SHALL BE ENTITLED

1 TO WITHDRAW FUNDS WITHIN THE SAVER'S ACCOUNT FOR PURPOSES
2 OTHER THAN PROVIDED BY THIS CHAPTER.

3 SECTION 3. SECTIONS 3101, 3102(C) AND (D), 3104 AND 3106(A)
4 AND (B) OF THE ACT, ADDED NOVEMBER 6, 2003 (P.L.205, NO.34), ARE
5 AMENDED TO READ:

6 Section 3101. Definitions.

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

10 "Agency." The Pennsylvania Higher Education Assistance
11 Agency.

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

19 "Approved educational institution." A postsecondary
20 educational institution located in this Commonwealth that is
21 authorized to provide approved courses of study and grant
22 degrees and that has been approved by the Pennsylvania Higher
23 Education Assistance Agency as an institution in which students
24 may enroll to participate in the New Economy Technology
25 Scholarship Program.

26 "Department." The Department of Education of the
27 Commonwealth.

28 "Emerging technology company." A company located in this
29 Commonwealth that is involved in scientific research and product
30 development, technology or a related field which is either less

1 than [six] eight years from incorporation or employs fewer than
2 500 full-time employees.

3 "Pennsylvania Workforce Investment Board." A public and
4 private partnership that provides strategic planning, program
5 coordination and evaluation of Pennsylvania's work force
6 training efforts.

7 "Program." The Technology Work Experience Internship Program
8 established under this chapter.

9 "Student." An individual domiciled in this Commonwealth who
10 attends an approved educational institution and who is enrolled
11 in an approved course of study.

12 "Work experience internship." An internship or work
13 experience in a science, technology or related field with an
14 emerging technology employer located within this Commonwealth
15 for which the student receives compensation and which is
16 approved by a postsecondary institution listed as an approved
17 educational institution by the Pennsylvania Higher Education
18 Assistance Agency.

19 Section 3102. Technology Work Experience Internship Program.

20 * * *

21 (c) Approved courses.--The list of approved courses of study
22 for the program for undergraduate students shall be the same as
23 is currently required under section 4(c) of the act of June 23,
24 1999 (P.L.159, No.22), known as the New Economy Technology
25 Scholarship Act.

26 [(d) Emerging technology companies.--The department, in
27 cooperation with the Department of Community and Economic
28 Development and the Pennsylvania Workforce Investment Board,
29 shall establish and maintain a list of emerging technology
30 companies for the program.]

1 for review.

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

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

8 Section 3106. Interns.

9 (a) Eligibility.--Undergraduate and master's degree students
10 enrolled in an approved course of instruction at an approved
11 educational institution shall be eligible to participate in the
12 program. Priority for participation shall be based on financial
13 need as determined by the educational institution and the
14 agency, but participation shall not be limited to those students
15 who qualify for financial aid.

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

23 * * *

24 ~~Section 2. This act shall take effect immediately.~~ <—

25 SECTION 4. THIS ACT SHALL TAKE EFFECT AS FOLLOWS: <—

26 (1) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT JULY 1,
27 2005, OR IMMEDIATELY, WHICHEVER IS LATER:

28 (I) THE AMENDMENT OF THE DEFINITION OF "APPROVED
29 PLAN" IN SECTION 2101 OF THE ACT.

30 (II) THE AMENDMENT OF SECTION 2102(D), (E) AND (F)

1 OF THE ACT.

2 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT

3 IMMEDIATELY.