



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 1537

PRINTERS NO. 1936

PRIME SPONSOR: Harkins

### COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
Service and Infrastructure Improvement Fund	\$0	\$0
Unemployment Compensation Contribution Fund	\$0	\$0

**SUMMARY:** Amends the Unemployment Compensation Law (UC Law) to provide additional flexibility for the scheduled drawdown of dollars allocated for the Benefit Modernization project. This legislation would take effect immediately.

**ANALYSIS:** This legislation amends Section 301.4(h) of the UC Law to provide for the scheduled drawdown of funds for the Benefit Modernization project.

The Department of Labor and Industry (DLI) will be allowed to drawdown the funds currently allocated for calendar years 2019 and 2020 (\$18 million) at any time during those two years.

The DLI Secretary will be allowed to deposit funds for the project into the Service and Infrastructure Improvement Fund (SIIF) as follows:

- Within 30 days of the bill's effective date, DLI may deposit an amount for actual costs incurred prior to the effective date – for which deposits have not been made – including the amount of funds withheld from the Benefit Modernization contractor to ensure performance.
- Each quarter thereafter, DLI may deposit an amount for actual costs incurred in the prior quarter, including funds withheld from the contractor to ensure performance.
- No later than December 31, 2020, DLI may deposit an amount authorized for anticipated future costs of implementation of the project.

Fund authorized may only be disbursed to the contractor when DLI determines that the appropriate contract benchmarks have been met.

The Secretary will be required to certify (before each deposit of funds) the amount of any funds withheld to ensure the performance of the contractor, the anticipated timeline for the disbursement of the funds, and the anticipated timeline for the implementation of the Benefit Modernization Project.

**FISCAL IMPACT:** This legislation would have no adverse fiscal impact on Commonwealth funds.

**PREPARED BY:** Tim Rodrigo  
House Appropriations Committee (R)

**DATE:** June 18, 2019

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*