

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

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YOUNGBLOOD AND WASHINGTON, APRIL 14, 1999

REFERRED TO COMMITTEE ON HEALTH AND HUMAN SERVICES,
APRIL 14, 1999

AN ACT

1 Providing for a program of grants to develop and provide useful
2 and productive opportunities for unemployed and underemployed
3 people, especially young people, through payments for labor
4 and related costs associated with the construction, repair or
5 rehabilitation of essential community and educational
6 facilities, with the reclamation, improvement and
7 conservation of public lands, and with the creation, repair,
8 rehabilitation and restoration of public safety, public
9 transportation, health, social services and recreation
10 facilities and other activities necessary to the public
11 welfare.

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

9 CHAPTER 1

10 PRELIMINARY PROVISIONS

11 Section 101. Short title.

12 This act shall be known and may be cited as the Job Creation
13 and Infrastructure Restoration Act.

14 Section 102. Legislative findings.

15 The General Assembly finds and declares as follows:

16 (1) That the investments made during the 1930s, 1940s
17 and 1950s in the infrastructure of the United States through
18 the Roosevelt public works programs, the National Highway Act
19 and other major efforts led to the greatest economic recovery
20 and sustained level of economic growth in the first 150 years
21 of our nation's existence.

22 (2) That this Commonwealth's infrastructure has suffered
23 greatly over the past three decades because of the failure of
24 the Federal Government to renew and restore roads, bridges,
25 public buildings, public lands and other public assets.

26 (3) That the lack of resources for the maintenance of
27 the infrastructure during this period has led to the loss of
28 both jobs and job skills in these vital areas, with
29 consequent increased unemployment and a reduction in the
30 quality of life for residents of affected areas.

1 (4) That there is a critical need to renew and restore
2 both the public buildings and other assets, and the jobs and
3 job skills needed to ensure that those assets are available
4 for use by future generations and for any defense needs the
5 country may face in the future.

6 (5) That policies at the Federal and State level have
7 demonstrated diminished concern for the needs of the
8 communities of the Commonwealth and a shifting of the burden
9 for maintenance and restoration of blighted areas on to State
10 and local governments, in addition to the burden for local
11 needs, such as public safety, education, health and public
12 welfare, that those jurisdictions bear, thereby stretching
13 already shrinking resources beyond the capabilities of those
14 governments to address these needs.

15 (6) That financial incentives that are specifically
16 linked to the development of jobs, and renewal of important
17 job skills will help reverse the trend of continued erosion
18 of the Commonwealth's urban and rural areas and act as an
19 economic stimulus for the Commonwealth.

20 (7) That economic growth rates, future efficiency and
21 competitiveness will be substantially enhanced by programs of
22 assistance to local governments to construct and rehabilitate
23 this Commonwealth's economic stability.

24 (8) That efforts to reform the welfare system are based
25 on the assumption that there will be jobs available in the
26 public and private sectors for current welfare recipients and
27 for noncustodial parents whose responsibilities include
28 providing support for their children.

29 (9) That, absent a concentrated effort on the part of
30 the Commonwealth to create career jobs that provide a living

wage, efforts to reform the welfare system are doomed to failure.

(10) That creation of living wage jobs in conjunction with a large and sustained community works renewal program will reap significant rewards in direct tax payments at all levels of government, increased economic expansion for the Commonwealth and substantial reductions in the outlays for unemployment support, welfare, Medicaid and other government expenditures and will also lessen the burden on government expenditures that result from lack of employment for those at risk of entering a life of crime.

(11) That agriculture is of such importance and since Pennsylvania is ranked low in relation to mass layoffs, this act is committed to reestablishing agricultural services.

Section 103. Definitions.

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

"Department." The Department of Public Welfare of the Commonwealth.

"Local government." A political subdivision.

"Public service." The term includes port facilities, police and fire stations, detention centers, schools, health facilities, industrial research or development parks, research facilities at institutions of higher learning and other projects the Secretary of Public Welfare determines to be appropriate.

"Secretary." The Secretary of Public Welfare of the Commonwealth.

"TANF." Temporary assistance for needy families.

CHAPTER 3

GRANTS TO LOCAL GOVERNMENTS

Section 301. Direct grants.

(a) General rule.--The department may make grants to local governments for construction, including demolition and other site preparation activities, renovation, repair, restoration or other improvement of local public works projects, including those public works projects of local governments for which Federal financial assistance is authorized. To the extent appropriate, the department may coordinate with other Federal, State or local agencies in assessing grant requests and in providing appropriate levels of support.

(b) Duty of department.--The department shall enter into a letter of intent with the appropriate Federal, State or local agencies to assist in developing the program provided for in this act.

(c) Termination of grants.--No new grants shall be made under this section after the expiration of any three-consecutive month period during which the unemployment rate remained below 5% for each such month, or after September 30, 2001, whichever occurs first.

Section 302. Allocation of funds and preferences.

(a) Allocation of funds.--The department shall allocate 5% of the TANF block grant for the administration and implementation of the program provided for in this act. The remainder shall be allocated as follows:

- (1) After the set-aside required by paragraphs (2) and (3), 60% of the funds shall be allocated among counties on the basis of the ratio that the number of unemployed persons in each county bears to the total number of unemployed persons in all counties, and 40% of the funds shall be

1 allocated among those counties with an average unemployment
2 rate for the preceding six-month period in excess of 6% on
3 the basis of the relative severity of unemployment in each
4 county, except that no county shall be allocated less than
5 .75% or more than 12% of the funds for local public works
6 projects within the county.

7 (2) No less than 10% of each county's allocations shall
8 be set aside and shall be expended only for grants for public
9 works projects under this chapter for local units of general
10 government with populations under 10,000.

11 (3) Up to .75% of the total grant award shall be
12 available for project development and preparation and for
13 ongoing project administration. This allocation shall be
14 available for local governments defined as nonentitlement
15 under the Housing and Urban Development Community Development
16 Block Grant Program. The allocation shall not exceed \$15,000
17 for any single grant award.

18 (b) Preferences.--

19 (1) In making grants, the department shall give priority
20 to public works projects of local governments that will
21 employ those persons adversely affected by recent changes in
22 Federal and State laws relating to public and other
23 assistance.

24 (2) In making grants, the department shall also give
25 priority to any public works projects requested by a special
26 purpose unit of local government which is endorsed by a
27 general purpose local government within the county.

28 (3) A project requested by a school district shall be
29 accorded the full priority and preference to public works
30 projects of local governments provided in this subsection.

1 (4) A project that:

2 (i) creates or adds to an applied research facility
3 at an institution of higher education, which facility is
4 intended to promote the development of new products and
5 processes; or

6 (ii) the department determines, will improve the
7 competitiveness of industry

8 shall be accorded full priority and preference. For projects
9 under this section, matching funds requirements shall be
10 waived if the company or companies and school involved
11 commit, in the department's opinion, to undertake all future
12 equipment and maintenance expenses.

13 (c) High unemployment rates.--

14 (1) In making grants under this chapter, if for the 12
15 most recent consecutive months the average unemployment rate
16 in the construction trades is equal to or exceeds 8%, the
17 department shall:

18 (i) expedite and give priority to applications
19 submitted by local governments having unemployment rates
20 for the 12 most recent consecutive months in excess of
21 the State unemployment rate in the construction trades;
22 and

23 (ii) shall give priority thereafter to applications
24 submitted by local governments having average
25 unemployment rates for construction trades for the 12
26 most recent consecutive months in excess of 6%, but less
27 than the State unemployment rate.

28 (2) Information regarding unemployment rates shall be
29 furnished by the Department of Labor and Industry working in
30 concert with the appropriate Federal agency to provide this

1 information within a 10-day period.

2 (d) State and local prioritization of applications.--

3 Whenever a local government submits applications for grants
4 under this chapter for two or more projects, the local
5 government shall submit as part of the applications its priority
6 for each project.

7 (e) Localization of unemployment determinations.--The local
8 unemployment rate may, for purposes of this chapter, and upon
9 request of the applicant, be based upon the unemployment rate of
10 any community or neighborhood, without regard to political or
11 other subdivisions or boundaries, within the jurisdiction of the
12 local government.

13 Section 303. Rules, regulations and procedures.

14 (a) General rule.--The department shall, not later than 90
15 days after the effective date of this act, publish in the
16 Pennsylvania Bulletin as proposed rulemaking those rules and
17 regulations, including application forms, necessary to carry out
18 this chapter. The rules and regulations shall assure that
19 adequate consideration is given to the relative needs of various
20 areas of this Commonwealth. The department shall consider among
21 other factors:

22 (1) The severity and duration of employment in proposed
23 project areas.

24 (2) The income levels and extent of underemployment in
25 proposed project areas.

26 (3) The extent to which proposed project areas will
27 contribute to increased employment in the construction trades
28 and future economic growth.

29 (4) The needs of proposed project areas to recover from
30 natural or other disaster which has affected the

1 infrastructure of the area.

2 (b) Consideration of applications.--The department shall
3 make a final determination with respect to each application for
4 a grant not later than the 60th day after the date the
5 department receives the application.

6 (c) Consideration of construction industry employment.--For
7 purposes of this section, in considering the extent of
8 unemployment or underemployment, the department shall consider
9 the amount of unemployment or underemployment in the
10 construction and construction-related industries.

11 Section 304. General limitations.

12 (a) Acquisition of land.--No part of any grant shall be used
13 for the acquisition of any interest in real property.

14 (b) Maintenance costs.--Nothing in this chapter shall be
15 construed to authorize the payment of routine scheduled
16 maintenance costs in connection with any projects constructed in
17 whole or in part with financial assistance provided under this
18 chapter.

19 (c) On-site labor.--The department shall make grants only
20 for projects for which the applicant gives satisfactory
21 assurances, in such manner and form as may be required by the
22 department and in accordance with those terms and conditions as
23 the department may prescribe, that, if funds are available,
24 onsite labor work can begin within 90 days of project approval.

25 (d) Contracting.--

26 (1) No part of the construction, including demolition
27 and other site preparation activities, renovation,
28 restoration, repair or other improvement of any public works
29 project for which a grant is made shall be performed directly
30 by any department, agency or instrumentality of the

1 Commonwealth or any local government.

2 (2) Construction of each project shall be performed by
3 contract awarded by competitive bidding, unless the
4 department shall affirmatively find that, under the
5 circumstances relating to the project, an alternative method
6 is in the public interest.

7 (3) Contracts for the construction of each project shall
8 be awarded only on the basis of the lowest responsible bid
9 submitted by a bidder meeting the established criteria of
10 responsibility, subject to subsection (c).

11 (4) No requirement or obligation shall be imposed as a
12 condition precedent to the award of a contract to a bidder
13 for a project or to the department's concurrence in the award
14 of a contract to the bidder, unless the requirement or
15 obligation is otherwise lawful and is specifically set forth
16 in the advertised specifications or in this act.

17 (e) Environmental safeguards.--A local public works project
18 carried out under this chapter shall comply with all relevant
19 Federal, State and local environmental laws and regulations.

20 (f) Buy American.--If a local public works project carried
21 out with financial assistance under this chapter is eligible for
22 Federal financial assistance under provisions of law other than
23 this chapter and, under such other provisions of law, is subject
24 to the Buy American Act of 1988 (Public Law 100-418, 102 Stat.
25 1543), or similar requirements, such project shall be subject to
26 The Exchange Rates and International Economic Policy
27 Coordination Act of 1988.

28 (g) Minority participation.--If a local public works project
29 carried out with financial assistance under this chapter is
30 eligible for Federal financial assistance under provisions of

1 law other than this chapter and, under such other provision of
2 law, is subject to any minority participation requirement, the
3 project shall be subject to such requirement under this chapter,
4 in the same manner and to the same extent as such project would
5 be subject to those requirements under such other provisions of
6 law.

7 (h) Applicability of laws regarding individuals with
8 disabilities.--

9 (1) Sections 504 and 505 of the Rehabilitation Act of
10 1973 (Public Law 93-112, 29 U.S.C. § 701 et seq.) and the
11 Americans With Disabilities Act of 1990 (Public Law 101-336,
12 104 Stat. 327) shall apply to local public works projects
13 carried out under this act.

14 (2) The Governor, with the approval of the Auditor
15 General and the State Treasurer, shall transfer to the
16 Department of Labor and Industry such funds as may become
17 available under Subchapter B, and shall allocate such funds
18 into equal shares for the following fiscal years:

19 July 1, 1998 to June 30, 1999

20 July 1, 1999 to June 30, 2000

21 July 1, 2000 to June 30, 2001

22 CHAPTER 5

23 PUBLIC WORKS AND JOB RESTORATION

24 Section 501. Purpose.

25 It is the purpose of this chapter to develop and provide
26 useful and productive opportunities for unemployed and
27 underemployed people, especially young people, through payments
28 from the funds allocated for this purpose, for labor and related
29 costs associated with the construction, repair or rehabilitation
30 of essential community and educational facilities; with the

1 reclamation, improvement and conservation of public lands; and
2 with the creation, repair, rehabilitation and restoration of
3 public safety, public transportation, health, social services
4 and recreation facilities and other activities necessary to the
5 public welfare.

6 Section 502. Eligible participants.

7 (a) General eligibility requirements.--

8 (1) An individual shall be eligible to participate in a
9 program, project or activity receiving funds under this
10 chapter only if the individual meets all of the following:

11 (i) Is a resident or citizen of this Commonwealth.

12 (ii) Is an unemployed individual at the time of
13 enrollment.

14 (iii) Has been unemployed for at least 30 days
15 immediately preceding the date of such enrollment, except
16 as otherwise provided in subsection (e) or (f) and
17 section 902.

18 (2) An individual may be eligible for purposes of this
19 section under procedures agreed to by the eligible
20 administrative entity and established in regulations
21 established by the department.

22 (b) Duration of eligibility.--No individual who is eligible
23 under subsection (a) shall receive wages from funds made
24 available under this chapter in excess of 52 weeks in any two-
25 year period, in accordance with the following subsidy schedule:

26 (1) Up to 75% of the participant's wages may be
27 subsidized for the first 26 weeks.

28 (2) Up to 50% of the participant's wages may be
29 subsidized for the next 13 weeks.

30 (3) Up to 25% of the participant's wages may be

1 subsidized for the next 13 weeks.

2 (c) Priority for participation.--In the selection of
3 participants for activities under this chapter, priority shall
4 be given to individuals who:

5 (1) At the time of selection, have exhausted or are
6 otherwise not eligible for unemployment benefits,
7 particularly:

8 (i) Those individuals who have been unemployed for
9 the longest periods of time preceding the date of their
10 selection.

11 (ii) Those individuals residing in households in
12 which no other member is employed on a full-time basis.

13 (iii) Those individuals who are or were qualified
14 participants in aid to families with dependent children
15 (AFDC) or in a program under the Trade Adjustment Act of
16 1979 (Public Law 96-39, 93 Stat. 144) or other Federal
17 program providing job reemployment assistance due to base
18 closure, factory closure or other job loss due to
19 economic factors.

20 (iv) Those young individuals who are unemployed and
21 who reside in communities with the highest levels of
22 unemployment or underemployment.

23 (2) Except for individuals described in subparagraph
24 (iv), have been employed within the past two years by the
25 employer that is providing the subsidized job position.

26 (d) Special consideration for recipients of public
27 assistance.--An entity receiving funds under this chapter shall
28 give special consideration to applicants who are:

29 (1) Custodial parents of children who are recipients of
30 assistance under Title IV of the Social Security Act (49

1 Stat. 620, 42 U.S.C. § 301 et seq.).

2 (2) Noncustodial parents of nondependent children who
3 are recipients of assistance under Title IV of the Social
4 Security Act, but only if the applicants agree in writing to
5 the withholding of an appropriate portion of their wages to
6 be applied to the support of the children under any child
7 support order.

8 (e) Special consideration for veterans.--With regard to
9 services to veterans provided under section 701(a)(3)(xv),
10 special consideration in selecting participants for employment
11 in such activities should be given to veterans who otherwise
12 meet the eligibility requirements in this section.

13 (f) Special consideration for public assistance
14 recipients.--Special consideration shall be given to current and
15 former recipients of public assistance and to current and former
16 recipients to aid to families with dependent children.

17 (g) Equal employment opportunities.--

18 (1) In certifying eligible participants under subsection
19 (a) and in referring them for employment, the administrative
20 entity shall be responsible for ensuring equal employment
21 opportunities and the full participation of traditionally
22 underrepresented groups, including women and racial and
23 ethnic minorities, in employment provided with funds made
24 available under this subchapter.

25 (2) Each recipient of funds shall be responsible for
26 ensuring such opportunities and full participation in the
27 selection of eligible participants for such employment.

28 Section 503. Limitation on use of funds.

29 (a) Reservation for wages and benefits.--Not less than 75%
30 of the funds made available to a recipient from funds

1 appropriated for any fiscal year shall be used to provide for
2 wages and related employment benefits to eligible participants
3 for work which the recipient certifies has been performed in one
4 or more of the activities authorized under this act.

5 (b) Limitation on administrative costs.--No more than 10% of
6 the funds provided to a recipient from funds appropriated for
7 any fiscal year may be used for the cost of administration.

8 (c) Acquisition of tools, equipment and materials.--The
9 remainder of the funds provided to a recipient from funds
10 appropriated for the fiscal year, after compliance with
11 subsection (a) and deduction of costs of administration
12 permitted by subsection (b), may be used for the acquisition of
13 supplies, tools, equipment and other materials directly related
14 to the purpose for which the funds were provided.

15 (d) Use of other funds.--

16 (1) Nothing in this act shall be construed to preclude
17 or limit the payment of the costs of administration or the
18 costs of supplies, tools, equipment or other materials
19 directly related to the project or program being funded,
20 either in whole or in part, from Federal sources such as
21 section 106 of the Housing and Community Development Act of
22 1974 (Public Law 93-383, 88 Stat. 139) or from non-Federal
23 sources other than this act.

24 (2) In designating projects under this act, the
25 recipient shall, to the extent feasible, ensure that
26 supplies, tools, equipment or other materials purchased or
27 procured in accordance with paragraph (1) have been
28 manufactured, mined or produced in the United States, unless
29 the supply, tool, equipment or material is not available in
30 reasonable quantity and quality as required to fulfill the

needs of the project or activity.

(e) Training cost exception.--Notwithstanding subsection (a), funds available may be used for costs associated with training and related support for a number of participants if:

(1) Employers have made commitments to fill an equal number of unsubsidized jobs with participants who have successfully completed training.

(2) The recipient has entered into an agreement for the provision of such training to participants with one or more of the following: an apprenticeship training program which is certified by the Department of Labor for the construction industry and meets Federal standards for apprenticeship training, an administrative entity designated under section 103(b)(1)(B) of the Job Training Partnership Act (Public Law 97-300, 29 U.S.C. § 1513), a local educational agency, a vocational education school, an institution of higher education, a community-based organization, a community action agency, a community development corporation or other qualified public or private nonprofit provider of training services.

(3) The costs associated with providing this training and related support to a participant from funds available under this act do not exceed, on a weekly basis, the maximum wage which may be paid with funds available under this act. Apprenticeship training shall be included in the project agreements negotiated with the building trades councils as outlined in section 304(d)(2). Minority participation requirements as specified in this act shall be applied to these project agreements.

(f) Salary limitation.--Funds available for the cost of

1 administration pursuant to subsection (b) may not be used to pay
2 salaries or wages to administrative or supervisory employees as
3 follows:

4 (1) at a rate that is greater than the rate of the
5 salaries or wages paid to employees performing comparable
6 functions for the same employer; or

7 (2) if there is no such comparable rate, at a rate which
8 is in excess of the rate of pay prescribed for GS-13 of the
9 General Schedule with respect to employees of the Federal
10 Government.

11 CHAPTER 11

12 MISCELLANEOUS PROVISIONS

13 Section 1101. Effective date.

14 This act shall take effect in 60 days.