

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 AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
JULY 1, 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 1. THE DEFINITIONS OF "APPROVED PLAN" AND "SAVER" IN <—
5 SECTION 2101 OF THE ACT OF JUNE 29, 1996 (P.L.434, NO.67), KNOWN
6 AS THE JOB ENHANCEMENT ACT, AMENDED JUNE 22, 2000 (P.L.310,
7 NO.29), ARE AMENDED TO READ:

8 SECTION 2101. DEFINITIONS.

9 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
10 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
11 CONTEXT CLEARLY INDICATES OTHERWISE:

12 * * *

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

19 * * *

20 "SAVER." AN INDIVIDUAL OR FAMILY WHO RESIDES IN THIS <—
21 COMMONWEALTH AND WHOSE TOTAL ANNUAL INCOME AT THE TIME OF
22 ENROLLMENT IS NOT MORE THAN 200% OF THE FEDERAL POVERTY STANDARD
23 OR NOT MORE THAN 80% OF AREA MEDIAN INCOME, WHICHEVER IS
24 GREATER, AND WHO HAS APPLIED FOR ENROLLMENT IN THE PROGRAM.

25 * * *

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

29 * * *

30 (D) GRANTS.--

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 A SERVICE PROVIDER SHALL DEPOSIT ALL GRANT FUNDS IN A SEPARATE ACCOUNT AT A FINANCIAL INSTITUTION UNTIL THE FUNDS ARE WITHDRAWN TO PROVIDE THE REQUIRED MATCH FOR A SAVER OR ARE RETURNED TO THE COMMONWEALTH.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

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

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

(4) A SERVICE PROVIDER SHALL BE ELIGIBLE FOR ADMINISTRATIVE AND COUNSELING COSTS IN AN AMOUNT DETERMINED BY THE DEPARTMENT. NO MORE THAN 9.5% OF FUNDS ANNUALLY

1 APPROPRIATED FOR THIS PROGRAM MAY BE USED TO REIMBURSE
2 SERVICE PROVIDERS FOR ELIGIBLE ADMINISTRATIVE AND COUNSELING
3 COSTS OF WHICH NO MORE THAN 5% MAY BE USED FOR ADMINISTRATIVE
4 COSTS. THE DEPARTMENT MAY APPROVE THE USE OF INTEREST
5 EARNINGS ON GRANT FUNDS HELD BY SERVICE PROVIDERS AS A
6 PORTION OF A SERVICE PROVIDER'S APPROVED ADMINISTRATIVE AND
7 COUNSELING COSTS. ELIGIBLE COUNSELING COSTS SHALL INCLUDE,
8 BUT NOT BE LIMITED TO, COSTS ASSOCIATED WITH INTERVIEWING
9 POTENTIAL SAVERS, ENROLLING SAVERS, MONITORING A SAVER'S
10 PROGRESS TOWARD FULFILLING THE TERMS OF AN APPROVED PLAN AND
11 PROVIDING PERIODIC MONEY MANAGEMENT AND FINANCIAL SKILLS
12 MEETINGS FOR SAVERS TO FOSTER THE HABIT OF CONTINUED SAVING.
13 THE DEPARTMENT SHALL DETERMINE ELIGIBLE ADMINISTRATIVE COSTS.

14 (E) ELIGIBILITY FOR MATCH.--AN ENROLLED SAVER WITH AN
15 APPROVED PLAN AND ACCOUNT MONITORED BY A SERVICE PROVIDER MUST
16 FULFILL THE REQUIREMENTS OF THE APPROVED PLAN FOR A MINIMUM OF
17 12 MONTHS BUT NOT MORE THAN [24] 36 MONTHS. THE SAVER SHALL
18 PRESENT SATISFACTORY EVIDENCE TO THE SERVICE PROVIDER ON A
19 QUARTERLY BASIS THAT THE SAVINGS REQUIREMENTS ARE BEING MET.

20 (F) RESTRICTIONS ON WITHDRAWAL.--

21 (1) IN ORDER TO OBTAIN THE MATCH, THE SAVER MUST PRESENT
22 SATISFACTORY EVIDENCE TO THE SERVICE PROVIDER THAT THE AMOUNT
23 BEING WITHDRAWN FROM THE SAVER'S FAMILY SAVINGS ACCOUNT IS
24 BEING USED FOR AN ELIGIBLE USE. WITHDRAWALS FROM A FAMILY
25 SAVINGS ACCOUNT FOR AN ELIGIBLE USE BY A SAVER SHALL BE MADE
26 PAYABLE TO THE LEGAL ENTITY WHICH PROVIDES THE ELIGIBLE USE.

27 (2) THE MATCH SHALL BE PAID BY THE SERVICE PROVIDER TO
28 THE LEGAL ENTITY WHICH PROVIDES THE ELIGIBLE USE. THE MATCH
29 SHALL NOT BE PAID TO THE SAVER.

30 (3) A MATCH WHICH HAS NOT BEEN PAID FOR AN ELIGIBLE USE

1 WITHIN [THREE] FIVE YEARS AFTER THE END OF THE CONTRIBUTION
2 PERIOD SHALL BE RETURNED TO THE COMMONWEALTH FOR DEPOSIT IN
3 THE STATE TREASURY.

4 (4) A SAVER WHO FAILS TO MEET THE SAVINGS GOAL SET FORTH
5 IN THE APPROVED PLAN OR WHO DECIDES TO DROP OUT OF THE
6 PROGRAM SHALL TERMINATE HIS APPROVED PLAN WITH THE SERVICE
7 PROVIDER ACCORDING TO PROCEDURES DETERMINED BY THE
8 DEPARTMENT. UPON THE TERMINATION OF AN APPROVED PLAN BETWEEN
9 A SAVER AND A SERVICE PROVIDER, THE SERVICE PROVIDER SHALL
10 REASSIGN OR RETURN THE MATCHING FUNDS ACCORDING TO THE
11 PROVISIONS OF SUBSECTION (D), AND THE SAVER SHALL BE ENTITLED
12 TO WITHDRAW FUNDS WITHIN THE SAVER'S ACCOUNT FOR PURPOSES
13 OTHER THAN PROVIDED BY THIS CHAPTER.

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

17 Section 3101. Definitions.

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

21 "Agency." The Pennsylvania Higher Education Assistance
22 Agency.

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

30 "Approved educational institution." A postsecondary

1 educational institution located in this Commonwealth that is
2 authorized to provide approved courses of study and grant
3 degrees and that has been approved by the Pennsylvania Higher
4 Education Assistance Agency as an institution in which students
5 may enroll to participate in the New Economy Technology
6 Scholarship Program.

7 "Department." The Department of Education of the
8 Commonwealth.

9 "Emerging technology company." A company located in this
10 Commonwealth that is involved in scientific research and product
11 development, technology or a related field which is either less
12 than [six] eight years from incorporation or employs fewer than
13 500 full-time employees.

14 "Pennsylvania Workforce Investment Board." A public and
15 private partnership that provides strategic planning, program
16 coordination and evaluation of Pennsylvania's work force
17 training efforts.

18 "Program." The Technology Work Experience Internship Program
19 established under this chapter.

20 "Student." An individual domiciled in this Commonwealth who
21 attends an approved educational institution and who is enrolled
22 in an approved course of study.

23 "Work experience internship." An internship or work
24 experience in a science, technology or related field with an
25 emerging technology employer located within this Commonwealth
26 for which the student receives compensation and which is
27 approved by a postsecondary institution listed as an approved
28 educational institution by the Pennsylvania Higher Education
29 Assistance Agency.

30 Section 3102. Technology Work Experience Internship Program.

1 * * *

2 (c) Approved courses.--The list of approved courses of study
3 for the program for undergraduate students shall be the same as
4 is currently required under section 4(c) of the act of June 23,
5 1999 (P.L.159, No.22), known as the New Economy Technology
6 Scholarship Act.

7 [(d) Emerging technology companies.--The department, in
8 cooperation with the Department of Community and Economic
9 Development and the Pennsylvania Workforce Investment Board,
10 shall establish and maintain a list of emerging technology
11 companies for the program.]

12 (d) Emerging technology companies.--Companies meeting the
13 definition of "emerging technology company" as provided in
14 section 3101 electing to participate in the program shall
15 certify, on forms provided by the agency, that they meet the
16 criteria and agree to adhere to the requirements of this act and
17 agency guidelines.

18 * * *

19 Section 3104. Responsibility of approved educational
20 institution.

21 Educational institutions participating in this program shall:

22 (1) Submit an application to the agency for approval to
23 participate in the program. The application shall identify
24 the high-tech employers or potential employers who will
25 sponsor an internship, the wages that interns shall be paid,
26 a description of the general nature of the work to be
27 performed and the screening process to be employed to
28 identify those students who will participate in the
29 internship program.

30 (2) Enter into a participation agreement with the

1 agency.

2 (3) Ensure that each participating high-tech business
3 understands the requirements of the program and provides each
4 hired intern career-related work experience that builds on
5 that student's classroom knowledge.

6 (4) Either through employer funds or institutional
7 funds, provide the funds required to match the State
8 contribution.

9 (5) Implement a process to screen and approve students
10 for participation in the program.

11 (6) Open relevant records and materials to the agency
12 for review.

13 (7) Have a process to monitor and evaluate each
14 internship experience.

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

19 Section 3106. Interns.

20 (a) Eligibility.--Undergraduate and master's degree students
21 enrolled in an approved course of instruction at an approved
22 educational institution shall be eligible to participate in the
23 program. Priority for participation shall be based on financial
24 need as determined by the educational institution and the
25 agency, but participation shall not be limited to those students
26 who qualify for financial aid.

27 (b) Terms and conditions.--Each intern shall comply with any
28 conditions placed upon the internship by the agency[,
29 department] or approved educational institution. Each intern
30 shall comply with any applicable requirements established by the

1 employer. Interns may work no more than 20 hours a week while
2 they are enrolled on a full-time basis and may work not more
3 than 40 hours a week during any break.

4 * * *

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

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

7 ~~(1) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT JULY 1,~~
8 ~~2005, OR IMMEDIATELY, WHICHEVER IS LATER:~~

9 ~~(I) THE AMENDMENT OF THE DEFINITION OF "APPROVED~~
10 ~~PLAN" IN SECTION 2101 OF THE ACT.~~

11 ~~(II) THE AMENDMENT OF SECTION 2102(D), (E) AND (F)~~
12 ~~OF THE ACT.~~

13 ~~(2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT~~
14 ~~IMMEDIATELY.~~

15 SECTION 4. THIS ACT SHALL TAKE EFFECT IMMEDIATELY. <—