

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2205 Session of 2014

INTRODUCED BY THOMAS, KINSEY, MCGEEHAN, BISHOP, YOUNGBLOOD,  
CLAY, COHEN, BROWNLEE AND MCCARTER, APRIL 28, 2014

REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, APRIL 28, 2014

AN ACT

1 Amending the act of December 18, 2001 (P.L.949, No.114),  
2 entitled, as amended, "An act establishing a unified  
3 workforce investment system; restructuring certain  
4 administrative functions, procedures and entities;  
5 transferring workforce development functions of Commonwealth  
6 agencies; establishing the Pennsylvania Workforce Investment  
7 Board; providing for critical job training grants, for  
8 guarantees for program quality and performance for workforce  
9 development programs, for workforce leadership grants and for  
10 industry partnerships; establishing the Keystone Works  
11 Program; and authorizing local workforce investment boards,"  
12 in Keystone Works Program, further providing for definitions,  
13 for program, for administration, for workers' compensation,  
14 for eligibility and for business incentives; providing for  
15 business reimbursement, for job creation tax credit and for  
16 advisory committee; further providing for performance  
17 evaluation system and for annual report; and providing for  
18 funding.

19 The General Assembly of the Commonwealth of Pennsylvania  
20 hereby enacts as follows:

21 Section 1. The definitions of "claimant," "high-priority  
22 occupations," "job opening" and "training" in section 1401 of  
23 the act of December 18, 2001 (P.L.949, No.114), known as the  
24 Workforce Development Act, added July 5, 2012 (P.L.970, No.107),  
25 are amended and the section is amended by adding a definition to  
26 read:

1 Section 1401. Definitions.

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

5 \* \* \*

6 ["Claimant." A person collecting regular unemployment  
7 compensation benefits under Article IV of the Unemployment  
8 Compensation Law. The term does not include a claimant receiving  
9 extended benefits under Article IV-A of the Unemployment  
10 Compensation Law or federally funded unemployment compensation  
11 benefits.]

12 \* \* \*

13 "Eligible trainee participant" or "participant." An  
14 individual currently unemployed or collecting unemployment  
15 compensation benefits under the act of December 5, 1936 (2nd  
16 Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment  
17 Compensation Law. The term includes individuals who are enrolled  
18 in a two-year or four-year institution of higher education and  
19 veterans.

20 ["High-priority occupations." As defined in section 1301.]

21 "Job opening." A bona fide opportunity for employment with a  
22 business [in a high-priority occupation] for at least 35 hours  
23 per week.

24 \* \* \*

25 ["Training." A planned, structured learning environment for  
26 the primary benefit of the trainee and from which the employer  
27 derives no immediate advantage and which is designed to provide  
28 the skills and knowledge necessary to meet a business'  
29 specifications for an occupation or trade.]

30 Section 2. Sections 1402, 1403, 1404, 1405 and 1406 of the

1 act, added July 5, 2012 (P.L.970, No.107), are amended to read:

2 Section 1402. Program.

3 (a) Establishment.--

4 (1) The Keystone Works Program is established.

5 (2) The department shall administer the program from  
6 funds appropriated for the program.

7 (3) The department may promulgate regulations and issue  
8 guidelines that it deems necessary to administer the program.

9 (a.1) Duties of department.--The department shall do all of  
10 the following:

11 (1) Create a form which eligible trainee participants  
12 shall use to request to be approved for participation in the  
13 program.

14 (2) Within ten days of receipt of the form, grant or  
15 deny a participant's request to participate in the program.

16 (3) Notify businesses of the availability of the program  
17 through existing programs and posting on the department's  
18 Internet website.

19 (4) Provide a business with information and materials  
20 necessary to participate upon request.

21 (5) Match eligible participants to businesses  
22 participating in the program.

23 (b) [Claimants] Eligible trainee participants.--

24 (1) [A claimant] An eligible trainee participant may  
25 voluntarily enroll in the program and shall be qualified for  
26 training if all of the following apply:

27 [(1)] (i) The department determines that the  
28 [claimant] participant is an appropriate match with a job  
29 opening at a participating business.

30 [(2) At the start of the training, the unexpended

1 balance of regular unemployment compensation to which the  
2 claimant is financially eligible equals or exceeds the  
3 product of:

4 (i) the claimant's weekly benefit rate; and

5 (ii) the number of weeks of training.

6 (3)] (ii) The [claimant] participant certifies to  
7 the department, in a writing subject to 18 Pa.C.S. § 4904  
8 (relating to unsworn falsification to authorities), that  
9 the [claimant] participant:

10 [(i) will not accept any form of compensation, cash  
11 or otherwise, from the participating business or  
12 individual or entity associated with the participating  
13 business for participation in the program;

14 (ii)] (A) will provide information and  
15 documentation to the department as requested; and

16 [(iii)] (B) will cooperate with requests from  
17 the department for evaluation of aspects of the  
18 program.

19 (2) Priority for participation in the program shall be  
20 given to participants receiving unemployment compensation  
21 benefits and participants whose unemployment compensation  
22 benefits have expired.

23 (c) Businesses.--The following are required for a business  
24 to be eligible to provide training under the program.

25 (1) The business must satisfy all of the following  
26 criteria:

27 (i) The business has a job opening to which a  
28 [claimant] participant may be matched by the department.

29 (ii) The business will register with the  
30 Pennsylvania CareerLink system.

1 (iii) The business will provide bona fide training  
2 to the [claimant] participant for the job opening.

3 (iv) Upon completion of the training period, the  
4 business will consider the [claimant] participant for  
5 employment in the job opening for which the [claimant]  
6 participant was trained.

7 (v) If the business hires the [claimant] participant  
8 upon completion of the training period, the [claimant]  
9 participant will perform services in "employment" within  
10 the meaning of the act of December 5, 1936 (2nd Sp.Sess.,  
11 1937 P.L.2897, No.1), known as the Unemployment  
12 Compensation Law.

13 (vi) The [claimant] participant will not work in a  
14 contract or self-employment capacity for the business.

15 [(vii) The business and individuals or entities  
16 associated with the business will not provide a  
17 participating claimant with any form of compensation,  
18 cash or otherwise, for participation in training under  
19 the program.]

20 (viii) The business will not provide training under  
21 the program while a work stoppage attributable to a labor  
22 dispute is in effect.

23 (ix) The business will not provide training while  
24 concurrently participating in a shared-work program under  
25 Article XIII of the Unemployment Compensation Law.

26 (x) Providing training under the program and hiring  
27 the [claimant] participant upon completion of training  
28 would not violate a collective bargaining agreement.

29 (xi) Providing training under the program and hiring  
30 the [claimant] participant upon completion of training

1 would not displace or adversely impact existing  
2 employees.

3 (xii) The business will cooperate with requests from  
4 the department for information and documentation related  
5 to the program.

6 (xiii) The business will follow up a participant's  
7 participation in the program with a performance  
8 evaluation of the participant's job skills regardless of  
9 whether or not the participant is hired for employment.

10 (2) The business must satisfy any additional criteria  
11 established by the department in administering the program.  
12 This paragraph includes imposing conditions on participating  
13 businesses to ensure that an appropriate number of  
14 [claimants] participants participating in the program receive  
15 offers of suitable long-term employment.

16 (3) The business must certify in a writing subject to 18  
17 Pa.C.S. § 4904 that all requirements of this subsection are  
18 or will be satisfied.

19 (4) The business must not be disqualified under  
20 subsection (d) (2) (iii).

21 (c.1) Business program.--

22 (1) To be eligible to participate in the program, a  
23 business, its owner or authorized agent must certify that:

24 (i) It has no tax liabilities or other obligations  
25 under the laws of the United States or the Commonwealth,  
26 or has filed a timely administrative or judicial appeal  
27 if such liabilities or obligations exist, or is subject  
28 to a duly approved deferred payment plan if such  
29 liabilities exist.

30 (ii) Neither the business nor any subcontractors are

1 under suspension or debarment by the Commonwealth or  
2 other government entity.

3 (1.1) When applying, each business shall submit to the  
4 department a proposed training plan for approval, along with  
5 any other forms required by the department. The training plan  
6 shall provide the following:

7 (i) The length of the training period required,  
8 which shall be based on the skills and knowledge of the  
9 proposed trainee participants, outlining the scope of  
10 work.

11 (ii) Full-time hours for the designated training  
12 period.

13 (iii) Workers' compensation benefits and any other  
14 employee benefits.

15 (iv) The manner in which a contract will fulfill  
16 compliance with ADA requirements.

17 (2) The Secretary of Labor and Industry may through  
18 guidelines provide for additional eligibility requirements or  
19 restrictions deemed necessary for a business to participate  
20 in the program.

21 (d) Description.--

22 (1) The department shall match [claimants] participants  
23 with businesses that have job openings and are willing to  
24 provide training [for the corresponding high-priority  
25 occupations]. A business shall not be required to accept all  
26 participants for employment in order to participate in the  
27 program.

28 (2) When a [claimant] participant is matched with a  
29 business, the business shall provide the [claimant a maximum  
30 of 24 hours of unpaid training per week, for a maximum of

1 eight weeks] training described in the training plan approved  
2 by the department under subsection (c.1). At the end of the  
3 training period, the following apply:

4 (i) The business shall consider the [claimant]  
5 participant for employment in the job opening.

6 (ii) The business is not required to hire the  
7 [claimant] participant.

8 (iii) The department shall disqualify from  
9 participation in the program any employer showing a  
10 pattern of acting in bad faith regarding job offers.

11 A [claimant] participant who is participating in training may  
12 opt to discontinue participation in the program.

13 (3) A business may terminate its participation in the  
14 program at any time. Reasonable notice shall be given to  
15 current participants in the program. For purposes of this  
16 paragraph, reasonable notice shall be considered a minimum of  
17 seven days' notice.

18 Section 1403. Administration.

19 The department has the following powers and duties under the  
20 program:

21 (1) Establish guidelines and applications it deems  
22 necessary for the administration of the program.

23 (2) Provide notice to businesses and [claimants]  
24 eligible trainee participants regarding eligibility for and  
25 participation in the program.

26 (3) Develop policies and procedures to register eligible  
27 businesses and eligible [claimants] trainee participants for  
28 the program.

29 (4) Develop policies and procedures to review  
30 applications.



1 (5) Develop policies and procedures to match [claimants]  
2 eligible trainee participants with businesses that have job  
3 openings for training under the program.

4 (6) Develop policies and procedures to provide  
5 [participating claimants] eligible trainee participants and  
6 businesses with administrative remedies for department  
7 determinations.

8 Section 1404. [Workers' compensation.

9 (a) Department.--The department shall purchase or arrange  
10 for workers' compensation insurance coverage for approved  
11 claimants during their participation in the program with an  
12 approved business.

13 (b) Employment relationship.--A claimant's participation in  
14 the program does not create an employment relationship with the  
15 department for purposes of the act of June 2, 1915 (P.L.736,  
16 No.338), known as the Workers' Compensation Act.

17 (c) Computation.--For the purposes of computing an approved  
18 claimant's wage compensation and benefit amount under the  
19 Workers' Compensation Act:

20 (1) the average weekly wage shall be the claimant's  
21 maximum weekly unemployment compensation benefit rate for the  
22 benefit year in effect at the time of injury; and

23 (2) the unemployment compensation benefit offset  
24 permitted under section 204(a) of the Workers' Compensation  
25 Act shall not apply.] (Reserved).

26 Section 1405. Eligibility.

27 Notwithstanding any other law, a [claimant's] participant's  
28 participation in the program, option to discontinue  
29 participation in the program, termination from the program by a  
30 participating business or completion of the program shall not

1 affect the eligibility of the [claimant] participant to receive  
2 unemployment compensation if the [claimant] participant remains  
3 eligible to receive those benefits under the act of December 5,  
4 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the  
5 Unemployment Compensation Law.

6 Section 1406. Business incentives.

7 (a) Eligibility.--Subject to the availability of funding  
8 under subsection (b), if, at the end of a training period, a  
9 business hires a [claimant] participant for a job opening under  
10 section 1402(d), the business is eligible to receive incentive  
11 payments in the amount of \$375 for each period of four  
12 consecutive workweeks the [claimant] participant remains  
13 employed at a minimum of 35 hours per week, for up to four  
14 consecutive periods of four consecutive workweeks and for a  
15 maximum of \$1,500 total incentive payments.

16 (b) Funding.--

17 (1) Incentive payments under subsection (a) shall be  
18 paid from money appropriated for payment.

19 (2) Fifteen percent of the total amount of money  
20 authorized for a fiscal year shall be reserved for businesses  
21 with fewer than 100 employees. If the reserved amount is not  
22 committed by April 30 of each year, it shall be available to  
23 businesses that have at least 100 employees.

24 Section 3. The act is amended by adding sections to read:

25 Section 1406.1. Business reimbursement.

26 Pursuant to availability of funding under section 1407.2,  
27 approved businesses participating in the program shall be  
28 eligible for reimbursement of up to 80% of a participant's  
29 wages.

30 Section 1406.2. Effect on job credit tax credit.

1 Nothing in this chapter shall prohibit businesses from  
2 applying for tax credits that may be available as job creation  
3 tax credits under any Federal or State law.

4 Section 1406.3. Advisory committee.

5 (a) Establishment.--An advisory committee is established to  
6 advise the department on the administration of the program under  
7 this chapter.

8 (b) Composition.--The advisory committee shall consist of  
9 eight members, with an equal number of members representing  
10 organized labor organizations and the business community. The  
11 appointments shall be made by the Governor, in consultation with  
12 the Pennsylvania Chamber of Business and Industry and  
13 representatives of organized labor, in consultation with the  
14 Pennsylvania AFL-CIO.

15 (c) Chairperson.--The chairperson shall be elected by the  
16 members of the advisory committee.

17 (d) Term.--The members shall serve at the pleasure of the  
18 Governor, which term shall run consecutively with the term of  
19 the Governor.

20 (e) Compensation and expenses.--The advisory committee  
21 members shall not receive a salary or per diem allowance for  
22 servng as members of the committee, but shall be reimbursed for  
23 actual and necessary expenses incurred in the performance of  
24 their duties.

25 (f) Meetings.--The advisory committee shall meet at least  
26 twice each year.

27 (g) Commencement of committee.--Within 30 days of the  
28 effective date of this section, the Governor shall make the  
29 appointments called for within this section and the committee  
30 shall begin operations immediately following the appointments.

1 Section 4. Sections 1407 and 1407.1 of the act, added July  
2 5, 2012 (P.L.970, No.107), are amended to read:

3 Section 1407. Performance evaluation system.

4 The department shall develop and implement an evaluation and  
5 performance improvement system which does the following:

6 (1) Collects critical information on an annual basis or  
7 more frequently as determined by the department, including:

8 (i) Increases in [claimant] participant skills.

9 (ii) Skill training being provided by businesses.

10 (iii) Placement of [claimants] participants after  
11 training.

12 (iv) Challenges foreseen by businesses.

13 (v) Business training best practices.

14 (vi) Amount of weeks [claimants] participants  
15 received unemployment compensation benefits after  
16 completion of the training period.

17 (2) Defines the benefits of the program and its training  
18 to businesses, [claimants] participants and the Unemployment  
19 Compensation Fund.

20 Section 1407.1. Annual report.

21 (a) General rule.--No later than [July 1] December 31 of  
22 each year, the department, in consultation with the advisory  
23 committee established under section 1406.3, shall submit an  
24 annual report to the chairman and minority chairman of the Labor  
25 and Industry Committee of the Senate and to the chairman and  
26 minority chairman of the Labor and Industry Committee of the  
27 House of Representatives providing all data available on the  
28 operation of the program during the prior year. The report shall  
29 include, but not be limited to, [claimant and business  
30 participation, administrative costs, relevant data, facts and

1 statistics and any other information that the department  
2 believes necessary in the content of the report that is  
3 available.] the following information:

4 (1) The total number of participating businesses, their  
5 physical addresses, including the county, and the amount of  
6 program funds provided for reimbursement to each business.

7 (2) The number of participants enrolled in the program.

8 (3) The number of participants who have completed the  
9 program.

10 (4) The number of participants hired by the  
11 participating business.

12 (5) The number of businesses that have terminated  
13 participation in the program and their rationales for doing  
14 so.

15 (6) An overview of the type of training provided to  
16 participants.

17 (7) A review of anticipated future trends in training  
18 curriculum and how the program will adapt to this need.

19 (8) A review of how the program will continue to recruit  
20 new businesses and participants.

21 (9) Meeting minutes of the advisory board for the  
22 previous 12 months.

23 (10) Recommendations for program enhancements for the  
24 following year.

25 (b) Public inspection.--The annual reports shall be made  
26 available for public inspection in a conspicuous place on the  
27 department's Internet website for a period of five years  
28 following their submission to the General Assembly.

29 Section 5. The act is amended by adding a section to read:  
30 Section 1407.2. Funding.

1 An amount not to exceed \$10,000,000 shall be appropriated  
2 from any of the following Federal sources of moneys to the  
3 Commonwealth:

4 (1) Additional funding, for which the department shall  
5 apply, which is available under the Workforce Investment Act  
6 of 1998 (Public Law 105-220, 112 Stat. 936), for use in  
7 administering the program.

8 (2) Funds received for the industry partnership program  
9 by the department and specified for use in job training  
10 assistance.

11 (3) Funds received by the Commonwealth for the  
12 Dislocated Worker Program under the Workforce Investment Act  
13 of 1998.

14 Section 6. This act shall take effect in 60 days.