

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 250 Session of 2017

INTRODUCED BY WARD, BROWNE, EICHELBERGER, STEFANO, VOGEL,
BROOKS, KILLION, VULAKOVICH, SCAVELLO, YAW, RAFFERTY,
TOMLINSON AND McILHINNEY, MARCH 20, 2017

REFERRED TO LABOR AND INDUSTRY, MARCH 20, 2017

AN ACT

1 Amending the act of December 5, 1936 (2nd Sp.Sess., 1937
2 P.L.2897, No.1), entitled "An act establishing a system of
3 unemployment compensation to be administered by the
4 Department of Labor and Industry and its existing and newly
5 created agencies with personnel (with certain exceptions)
6 selected on a civil service basis; requiring employers to
7 keep records and make reports, and certain employers to pay
8 contributions based on payrolls to provide moneys for the
9 payment of compensation to certain unemployed persons;
10 providing procedure and administrative details for the
11 determination, payment and collection of such contributions
12 and the payment of such compensation; providing for
13 cooperation with the Federal Government and its agencies;
14 creating certain special funds in the custody of the State
15 Treasurer; and prescribing penalties," in contributions by
16 employers and employees, further providing for contributions
17 by employees and for Service and Infrastructure Improvement
18 Fund.

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

21 Section 1. Sections 301.4(e)(2) and 301.9 of the act of
22 December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as
23 the Unemployment Compensation Law, are amended to read:

24 Section 301.4. Contributions by Employes.--* * *

25 (e) Contributions paid under this section shall be allocated

1 by the department among the Unemployment Compensation Fund, the
2 Reemployment Fund and the Service and Infrastructure Improvement
3 Fund as follows:

4 * * *

5 (2) During each calendar year from 2013 through [2016] 2017,
6 an amount determined by the secretary with the approval of the
7 Governor shall be deposited into the Service and Infrastructure
8 Improvement Fund. For calendar year 2013, the amount determined
9 under this clause may not exceed forty million dollars
10 (\$40,000,000). For calendar year 2014, the amount determined
11 under this clause may not exceed thirty million dollars
12 (\$30,000,000). For calendar years 2015 and 2016, the amount
13 determined under this clause for each calendar year may not
14 exceed one hundred ninety million dollars (\$190,000,000)
15 adjusted by the increase in the Bureau of Labor Statistics
16 Consumer Price Index for the period from May 2013 through
17 January of the calendar year less the amount of Federal
18 administrative funding for the preceding Federal fiscal year.
19 For calendar year 2017, the amount determined under this clause
20 may not exceed fifteen million dollars (\$15,000,000).

21 * * *

22 Section 301.9. Service and Infrastructure Improvement
23 Fund.--(a) There is established a restricted account in the
24 State Treasury to be known as the Service and Infrastructure
25 Improvement Fund.

26 (b) Moneys in the Service and Infrastructure Improvement
27 Fund shall consist of contributions deposited into the fund
28 pursuant to section 301.4(e)(2).

29 (c) Moneys in the Service and Infrastructure Improvement
30 Fund are appropriated on a continuing basis, upon approval of

1 the Governor, to the department to be prioritized for the
2 following purposes:

3 (1) To improve the quality, efficiency and timeliness of
4 services provided by the service center system to individuals
5 claiming compensation under this act, including claim filing,
6 claim administration, adjudication services and staffing and
7 training of system employes.

8 (2) Expenditures for information management technology,
9 communications technology and other infrastructure components,
10 including technological upgrades to the delivery system for
11 unemployment compensation benefits, that the secretary
12 determines are likely to result in significant and lasting
13 improvements to the unemployment compensation system.

14 (3) To pay the costs of collecting the contributions
15 deposited into the Service and Infrastructure Improvement Fund
16 pursuant to section 301.4(e)(2).

17 (d) Consistent with the merit staffing requirement of
18 section 303(a)(1) of the Social Security Act (49 Stat. 620, 42
19 U.S.C. § 503(a)(1)), no moneys in the Service and Infrastructure
20 Improvement Fund may be expended or obligated to a third party
21 to perform unemployment compensation services of the department,
22 except services relating to technology and infrastructure
23 components deemed necessary by the secretary under subsection
24 (c)(2).

25 (e) Any moneys in the Service and Infrastructure Improvement
26 Fund that are not expended or obligated as of December 31,
27 [2018] 2019, shall be transferred to the Unemployment
28 Compensation Fund under section 601.

29 (f) Moneys in the Service and Infrastructure Improvement
30 Fund shall not lapse at any time nor be transferred to any other

1 fund except as provided in subsection (e).

2 (g) No later than June 30 of each calendar year from 2014
3 through [2019] 2020, the department shall provide a report to
4 the Governor and the General Assembly, through the Secretary-
5 Parliamentarian of the Senate and the Chief Clerk of the House
6 of Representatives, regarding the Service and Infrastructure
7 Improvement Fund, which report shall include an accounting for
8 the contributions deposited into the fund, the expenditures and
9 transfers from the fund during the prior year and a description
10 of the purposes for which expenditures from the fund were made
11 in the prior year.

12 Section 2. This act shall take effect immediately.