

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

AS AMENDED ON SECOND CONSIDERATION, MARCH 28, 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 ADMINISTRATION OF <--
16 ACT, PROVIDING FOR UNEMPLOYMENT COMPENSATION CALL CENTERS;
17 AND, in contributions by employers and employees, further
18 providing for contributions by employees and for Service and
19 Infrastructure Improvement Fund.

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

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

25 SECTION 1. THE ACT OF DECEMBER 5, 1936 (2ND SP.SESS., 1937 <--
26 P.L.2897, NO.1), KNOWN AS THE UNEMPLOYMENT COMPENSATION LAW, IS

1 AMENDED BY ADDING A SECTION TO READ:

2 SECTION 202.1. UNEMPLOYMENT COMPENSATION CALL CENTERS.

3 BEFORE CLOSING AN UNEMPLOYMENT COMPENSATION CALL CENTER, THE

4 DEPARTMENT SHALL SUBMIT A REPORT TO THE CHAIRPERSON AND MINORITY

5 CHAIRPERSON OF THE LABOR AND INDUSTRY COMMITTEE OF THE SENATE

6 AND THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE LABOR AND

7 INDUSTRY COMMITTEE OF THE HOUSE OF REPRESENTATIVES. THE REPORT

8 SHALL INCLUDE THE PERFORMANCE DATA AND OPERATING COSTS OF THE

9 UNEMPLOYMENT COMPENSATION CALL CENTER AS COMPARED TO OTHER

10 UNEMPLOYMENT COMPENSATION CALL CENTERS IN THIS COMMONWEALTH.

11 SECTION 2. SECTIONS 301.4(E) (2) AND 301.9 OF THE ACT ARE  
12 AMENDED TO READ:

13 Section 301.4. Contributions by Employes.--\* \* \*

14 (e) Contributions paid under this section shall be allocated  
15 by the department among the Unemployment Compensation Fund, the  
16 Reemployment Fund and the Service and Infrastructure Improvement  
17 Fund as follows:

18 \* \* \*

19 (2) During each calendar year from 2013 through [2016] 2017,  
20 an amount determined by the secretary with the approval of the  
21 Governor shall be deposited into the Service and Infrastructure  
22 Improvement Fund. For calendar year 2013, the amount determined  
23 under this clause may not exceed forty million dollars  
24 (\$40,000,000). For calendar year 2014, the amount determined  
25 under this clause may not exceed thirty million dollars  
26 (\$30,000,000). For calendar years 2015 and 2016, the amount  
27 determined under this clause for each calendar year may not  
28 exceed one hundred ninety million dollars (\$190,000,000)  
29 adjusted by the increase in the Bureau of Labor Statistics  
30 Consumer Price Index for the period from May 2013 through

1 January of the calendar year less the amount of Federal  
2 administrative funding for the preceding Federal fiscal year.  
3 For calendar year 2017, the amount determined under this clause  
4 may not exceed fifteen million dollars (\$15,000,000)÷ AND SHALL <--  
5 BE ALLOCATED FOR THE PURPOSES SPECIFIED UNDER SECTION 301.9(C)  
6 (1) AND (3).

7 \* \* \*

8 Section 301.9. Service and Infrastructure Improvement  
9 Fund.--(a) There is established a restricted account in the  
10 State Treasury to be known as the Service and Infrastructure  
11 Improvement Fund.

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

15 (c) Moneys in the Service and Infrastructure Improvement  
16 Fund are appropriated on a continuing basis, upon approval of  
17 the Governor, to the department to be prioritized for the  
18 following purposes:

19 (1) To improve the quality, efficiency and timeliness of  
20 services provided by the service center system to individuals  
21 claiming compensation under this act, including claim filing,  
22 claim administration, adjudication services and staffing and  
23 training of system employes.

24 (2) Expenditures for information management technology,  
25 communications technology and other infrastructure components,  
26 including technological upgrades to the delivery system for  
27 unemployment compensation benefits, that the secretary  
28 determines are likely to result in significant and lasting  
29 improvements to the unemployment compensation system.

30 (3) To pay the costs of collecting the contributions

1 deposited into the Service and Infrastructure Improvement Fund  
2 pursuant to section 301.4(e)(2).

3 (d) Consistent with the merit staffing requirement of  
4 section 303(a)(1) of the Social Security Act (49 Stat. 620, 42  
5 U.S.C. § 503(a)(1)), no moneys in the Service and Infrastructure  
6 Improvement Fund may be expended or obligated to a third party  
7 to perform unemployment compensation services of the department,  
8 except services relating to technology and infrastructure  
9 components deemed necessary by the secretary under subsection  
10 (c)(2).

11 (e) Any moneys in the Service and Infrastructure Improvement  
12 Fund that are not expended or obligated as of December 31,  
13 [2018] 2019, shall be transferred to the Unemployment  
14 Compensation Fund under section 601.

15 (f) Moneys in the Service and Infrastructure Improvement  
16 Fund shall not lapse at any time nor be transferred to any other  
17 fund except as provided in subsection (e).

18 (g) No later than June 30 of each calendar year from 2014  
19 through [2019] 2020, the department shall provide a report to  
20 the Governor and the General Assembly, through the Secretary-  
21 Parliamentarian of the Senate and the Chief Clerk of the House  
22 of Representatives, regarding the Service and Infrastructure  
23 Improvement Fund, which report shall include an accounting for  
24 the contributions deposited into the fund, the expenditures and  
25 transfers from the fund during the prior year and a description  
26 of the purposes for which expenditures from the fund were made  
27 in the prior year.

28 (H) NO LATER THAN JUNE 15, 2017, THE DEPARTMENT SHALL SUBMIT <--  
29 A REPORT TO THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE  
30 LABOR AND INDUSTRY COMMITTEE OF THE SENATE AND THE CHAIRPERSON

1 AND MINORITY CHAIRPERSON OF THE LABOR AND INDUSTRY COMMITTEE OF  
2 THE HOUSE OF REPRESENTATIVES. THE REPORT SHALL DESCRIBE THE  
3 DEPARTMENT'S PLAN TO ELIMINATE THE DEPARTMENT'S RELIANCE ON  
4 MONEYS TRANSFERRED INTO THE SERVICE AND INFRASTRUCTURE  
5 IMPROVEMENT FUND FOR RECURRING OPERATIONAL COSTS. THE GENERAL  
6 ASSEMBLY SHALL CONSIDER THE INFORMATION CONTAINED IN THE REPORT  
7 WHEN REVIEWING A SUPPLEMENTAL FUNDING REQUEST BY THE DEPARTMENT.

8 (I) A SUPPLEMENTAL FUNDING REQUEST BY THE DEPARTMENT FOR  
9 TECHNOLOGICAL UPGRADES TO THE DELIVERY SYSTEM FOR UNEMPLOYMENT  
10 COMPENSATION BENEFITS FOR CALENDAR YEARS BEGINNING AFTER 2017  
11 SHALL INCLUDE ALL OF THE FOLLOWING:

12 (1) A DETAILED DESCRIPTION OF THE TECHNOLOGICAL UPGRADES TO  
13 THE DELIVERY SYSTEM FOR UNEMPLOYMENT COMPENSATION BENEFITS.

14 (2) AN EXPLANATION OF THE IMPROVEMENTS TO THE UNEMPLOYMENT  
15 COMPENSATION BENEFITS DELIVERY SYSTEM THAT WILL RESULT FROM THE  
16 TECHNOLOGICAL UPGRADES.

17 (3) THE TOTAL ESTIMATED COST OF THE TECHNOLOGICAL UPGRADES  
18 TO THE DELIVERY SYSTEM FOR UNEMPLOYMENT COMPENSATION BENEFITS,  
19 INCLUDING THE TOTAL ESTIMATED COST EACH YEAR AND ANY ADDITIONAL  
20 FUNDING SOURCES THAT CAN BE USED FOR THE PROJECT.

21 (4) THE TOTAL ESTIMATED COST SAVINGS THAT WILL RESULT FROM  
22 THE TECHNOLOGICAL UPGRADES TO THE DELIVERY SYSTEM FOR  
23 UNEMPLOYMENT COMPENSATION BENEFITS.

24 (5) THE TIME PERIOD, AS SPECIFIED IN YEARS, THAT WILL BE  
25 NECESSARY FOR THE DEPARTMENT TO COMPLETE THE TECHNOLOGICAL  
26 UPGRADES TO THE DELIVERY SYSTEM FOR UNEMPLOYMENT COMPENSATION  
27 BENEFITS.

28 (6) INFORMATION ON A PROPOSAL RECEIVED OR CONTRACT EXECUTED  
29 FOR TECHNOLOGICAL UPGRADES TO THE DELIVERY SYSTEM FOR  
30 UNEMPLOYMENT COMPENSATION BENEFITS IF PUBLICLY ACCESSIBLE UNDER

1 THE ACT OF FEBRUARY 14, 2008 (P.L.6, NO.3), KNOWN AS THE RIGHT-  
2 TO-KNOW LAW.

3 (7) A DETAILED DESCRIPTION OF HOW THE TECHNOLOGICAL UPGRADES  
4 TO THE DELIVERY SYSTEM FOR UNEMPLOYMENT COMPENSATION BENEFITS  
5 WILL IMPACT ANY RELATED RECOMMENDATIONS IN A SPECIAL PERFORMANCE  
6 AUDIT CONDUCTED BY THE AUDITOR GENERAL.

7 Section 2 3. This act shall take effect immediately.

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