

No. 2005-29

AN ACT

SB 511

Amending the act of June 29, 1996 (P.L.434, No.67), entitled, as amended, "An act to enhance job creation and economic development by providing for an annual financing strategy, for opportunity grants, for job creation tax credits, for small business assistance, for the Small Business Advocacy Council, for a family savings program, for industrial development assistance, for community development bank grants and loans and for tax-exempt bond allocation; conferring powers and duties on various administrative agencies and authorities; further providing for various funds; and making repeals," further providing, in Family Savings Account Program, for definitions and for administration; and further providing, in technology work experience, for definitions, for approved courses, for emerging technology companies, for responsibility of approved educational institutions and for eligible interns.

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

Section 1. The definitions of "approved plan" and "saver" in section 2101 of the act of June 29, 1996 (P.L.434, No.67), known as the Job Enhancement Act, amended June 22, 2000 (P.L.310, No.29), are amended to read:

Section 2101. Definitions.

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

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"Approved plan." A plan developed for an individual saver defining savings goals and program requirements, including the saver's anticipated use of both the savings and the match. The approved plan shall serve as the contract between the saver and the service provider and shall be for a contribution period of not less than 12 months nor more than [24] 36 months.

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"Saver." An individual or family who resides in this Commonwealth and whose total annual income at the time of enrollment is not more than 200% of the Federal poverty standard *or not more than 80% of area median income, whichever is greater*, and who has applied for enrollment in the program.

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Section 2. Section 2102(d), (e) and (f) of the act, amended June 22, 2000 (P.L.310, No.29), are amended to read:

Section 2102. Administration.

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(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 appropriated for this program may be used to reimburse service providers for eligible administrative and counseling costs of which no more than 5% may be used for administrative costs. The department may approve the use of interest earnings on grant funds held by service providers as a portion of a service provider's approved administrative and counseling costs. Eligible counseling costs shall include, but not be limited to, costs associated with interviewing potential savers, enrolling savers, monitoring a saver's progress toward fulfilling the terms of an approved plan and providing periodic money management and financial skills meetings for savers to foster the habit of continued saving. The department shall determine eligible administrative costs.

(e) Eligibility for match.—An enrolled saver with an approved plan and account monitored by a service provider must fulfill the requirements of the approved plan for a minimum of 12 months but not more than **[24] 36** months. The saver shall present satisfactory evidence to the service provider on a quarterly basis that the savings requirements are being met.

(f) Restrictions on withdrawal.—

(1) In order to obtain the match, the saver must present satisfactory evidence to the service provider that the amount being withdrawn from the saver's family savings account is being used for an eligible use. Withdrawals from a family savings account for an eligible use by a saver shall be made payable to the legal entity which provides the eligible use.

(2) The match shall be paid by the service provider to the legal entity which provides the eligible use. The match shall not be paid to the saver.

(3) A match which has not been paid for an eligible use within **[three] five** years after the end of the contribution period shall be returned to the Commonwealth for deposit in the State Treasury.

(4) A saver who fails to meet the savings goal set forth in the approved plan or who decides to drop out of the program shall terminate his approved plan with the service provider according to procedures determined by the department. Upon the termination of an approved plan between a saver and a service provider, the service provider shall reassign or return the matching funds according to the provisions of subsection (d), and the saver shall be entitled to withdraw funds within the saver's account for purposes other than provided by this chapter.

Section 3. Sections 3101, 3102(c) and (d), 3104 and 3106(a) and (b) of the act, added November 6, 2003 (P.L.205, No.34), are amended to read:

Section 3101. Definitions.

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

"Agency." The Pennsylvania Higher Education Assistance Agency.

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

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

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

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

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

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

“Student.” An individual domiciled in this Commonwealth who attends an approved educational institution and who is enrolled in an approved course of study.

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

Section 3102. Technology Work Experience Internship Program.

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

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

(d) Emerging technology companies.—Companies meeting the definition of “emerging technology company” as provided in section 3101 electing to participate in the program shall certify, on forms provided by the agency, that they meet the criteria and agree to adhere to the requirements of this act and agency guidelines.

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Section 3104. Responsibility of approved educational institution.

Educational institutions participating in this program shall:

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

(2) Enter into a participation agreement with the agency.

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

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

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

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

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

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

Section 3106. Interns.

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

(b) Terms and conditions.—Each intern shall comply with any conditions placed upon the internship by the agency[, department] or approved educational institution. Each intern shall comply with any applicable requirements established by the employer. Interns may work no more than 20 hours a week while they are enrolled on a full-time basis and may work not more than 40 hours a week during any break.

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Section 4. This act shall take effect immediately.

APPROVED—The 5th day of July, A.D. 2005.

EDWARD G. RENDELL