

# FISCAL NOTE

November 9, 2021

<b>Bill No:</b>	HB 508	<b>Printer's No:</b>	1749	<b>Sponsor:</b>	Cox
-----------------	--------	----------------------	------	-----------------	-----

### COST / (SAVINGS)

<b>Fund (s)</b>	<b>2020-21</b>	<b>2021-22</b>
General Fund	See Fiscal Impact	See Fiscal Impact

**SUMMARY:** HB 508 amends the Unemployment Compensation Law to establish the Back-to-Work Bonus Program.

**ANALYSIS:** HB 508 terminates Pennsylvania's participation in federal CARES Act unemployment programs (pandemic unemployment compensation, pandemic unemployment assistance and pandemic emergency unemployment compensation).

This legislation establishes the Back-to-Work Bonus Program which will provide bonuses for individuals with active unemployment claims who discontinue their claims prior to September 4, 2021 to accept employment and have employment at the time of application. One bonus of \$300 will be awarded at the completion of at least four consecutive full weeks of employment and a second bonus upon completion of at least eight consecutive full weeks.

HB 508 requires the Department of Labor and Industry (L&I) to develop application eligibility criteria, process applications and provide notice of the program on the internet and to employment and labor organizations.

This legislation appropriates \$154 million from the COVID-19 Response Restricted Account for the purpose of supporting this program and allows L&I to use up to \$1 million for administrative expenses related to the program.

HB 508 urges the President of the United States, Congress and the US Department of Labor to authorize funds used to reimburse the commonwealth for the funds under the CARES Act to incentivize workers to return to work.

This act shall take effect immediately.

**FISCAL IMPACT:** The Back-to-Work Bonus Program provides for bonuses (up to two payments of \$300) and makes an appropriation of \$154 million from money received by the commonwealth under the American Rescue Plan Act of 2021. The Back-to-Work Bonus Program is not an unemployment program; therefore, L&I will be unable to use federal administrative funding to administer the program. The cost to administer this program is unknown and speculative at best, particularly the cost of L&I's third-party vendor building such a system. Establishing and executing an entirely new program with new requirements will be costly and time-consuming in the wake of the launch of the modernized benefit system.