

FISCAL NOTE

April 1, 2021

Bill No:	SB 69	Printer's No:	52	Sponsor:	Langerholc
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COST / (SAVINGS)

Fund (s)	2020-21	2021-22
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY: SB 69 establishes the Recovery-to-Work pilot program within the Department of Labor and Industry (L&I).

ANALYSIS: SB 69 establishes a Recovery-to-Work pilot program to be administered by L&I in consultation with the Departments of Health, Community and Economic Development, Drug and Alcohol Programs, Human Services, Corrections, the Pennsylvania Board of Probation and Parole and the Pennsylvania Commission on Crime and Delinquency.

These participating agencies as well as local workforce development boards, support services providers and business partners are to provide individuals in recovery with career development opportunities, work experience, employability and career readiness skill training and continued recovery support services.

Local workforce development boards may submit applications for participation in the program (which L&I will develop), which will include partners in support services and business, a plan for carrying out the duties of the program and cost projections. L&I, in consultation with participating agencies, shall approve up to seven local recovery-to-work pilot programs for participation in the first year after the effective date of this act. Priority is given to those that can leverage other funding sources, have commitments from business partners or a capability to provide exposure to in-demand occupations.

Subject to the availability of funding, business partners who hire individuals will be eligible for incentive payments of \$1,250 after the individual remains employed an average of 35 hours per week for 12 consecutive weeks. 15 percent of the total amount of money appropriated for incentive payments shall be reserved for business partners with fewer than 100 employees but if the reserved amount is not committed by April 30 of each year, business partners that have at least 100 employees will be eligible.

L&I shall develop and implement an evaluation and performance improvement system and shall, in consultation with participating agencies, submit a report at the end of the fiscal year as well as a final report on the effectiveness of the program to the General Assembly, Governor and Auditor General.

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This program shall be funded by money deposited in the Reemployment Fund as well money already appropriated to L&I that could legally be used for Recovery-to Work or money appropriated to any participating agency for Recovery-to-Work.

This act shall take effect immediately.

FISCAL IMPACT:

The bill states that the program’s funding may come from the Reemployment Fund. Under § 1727-E(c) of the Fiscal Code, contributions to the Reemployment Fund have only been authorized through September 30, 2022, and there is no guarantee that such contributions to the fund will be reauthorized after that date. The proposed incentive payments for employers employing individuals in recovery will only be available if funds are specifically appropriated for that purpose.

Below is an estimated cost for a Recovery-to-Work Pilot program per 100 individuals served.

Pilot serving 100 individuals	People	Salary	Fringe (78%)	Years	Total
4 program staff	4	\$58,000	\$45,240	2	\$ 825,920.00
1 Business Services Team Member	1	\$58,000		2	\$ 116,000.00
Training	100	\$30,278.53			\$ 3,027,853.00
Employer Reimbursement	100	\$1,250			\$ 125,000.00
Supportive Services	100	\$1,000			\$ 100,000.00
					\$ 4,194,773.00
Admin					\$ 466,085.89
Total					\$ 4,660,858.89