

News for Immediate Release

July 3, 2013

Legislation Enacted to Supplement Unemployment Compensation Funding

Harrisburg – Governor Tom Corbett yesterday signed into law House Bill 26, a fiscally-responsible, four-year program aimed to improve the quality, efficiency and timeliness of the state's unemployment compensation (UC) operations.

Due to significant reductions in federal funds for the administration of UC programs, the Pennsylvania Department of Labor & Industry worked with the four labor and industry committee chairs in the General Assembly on a solution to supplement lost federal dollars with state dollars.

"Throughout the process, there was not a single negative vote cast, which is a testament to the spirit of cooperation, bi-partisanship and leadership of Governor Corbett and the General Assembly to resolve an urgent issue," Labor & Industry Secretary Julia Hearthway said.

The legislation will provide L&I with funding over the next four years via the employee UC tax, which employees already pay and will not increase. The funding, estimated to be about \$30 million to \$40 million per year, will supplement the loss of federal dollars used to administer unemployment compensation programs.

The money will be used to improve the quality, efficiency, and timeliness of services provided by the UC Service Centers, including staff and training; expenditures for information technology and other infrastructure components; and to cover administrative costs.

There will be no adverse impact on the solvency of the UC trust fund.

Media Contact: Sara Goulet, 717-787-7530

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