

**Senate Labor and Industry Committee  
Unemployment Compensation and Seasonal Workers  
August 4, 2015**



Testimony of  
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Executive Vice President

Thank you for the opportunity to discuss the unintended negative impact that Act 60, amendments to Pennsylvania Unemployment Compensation Law, is having on our ability to improve our roadways.

With me today are representatives of companies specializing in heavy and highway construction. Recent changes to Act 60 are detrimental to their employees and the construction industry as a whole. Act 60 directly targeted construction workers and has hampered efforts to recruit and retain qualified employees. We are hearing of many talented construction workers leaving the industry because the financial burden created by the volatility in qualifying for unemployment compensation.

PennDOT Form 408 Specifications do not permit paving between November 1 and March 31. Therefore, by direction of the Commonwealth, paving crews almost always see a significant percentage of their wages in one quarter (third quarter). Act 60 increased the requirement for eligibility to 49% out of high quarter. This has caused many paving laborers and equipment operators to lose eligibility.

A survey of our members resulted in the following responses:

- Approximately 65 employees (from one company) became ineligible to draw UC following the change in PA unemployment law. Survey range was 15 to 70 affected employees per company;
- The range of annual wages for the affected employees was \$18,982 to \$40,616.
- The average percent of annual wages earned in the high quarter (presumably 3<sup>rd</sup> quarter) for the affected employees was 53.13%.

Let me be clear that on behalf of the highway construction industry, representing 175 highway construction firms throughout the Commonwealth, we are not asking for a rollback of Act 60. We are asking for an adjustment or fix of the problem it has created for highway workers. We also are not asking for further reforms of the current system. We believe those two positions cloud the real issue here which is the need for a minor change to Act 60 that will greatly impact the Commonwealth's ability to deliver safer, more convenient travel on our highway system.

Concepts have been discussed that would reduce the required percentage to the low 40s with some off-setting "pay fors". We support that type of approach as good for the Commonwealth and healthy for the Unemployment Compensation Fund.

Should Act 60 not be amended to ease the heavy burden it has created on the construction workforce, we will experience continued loss of talented professionals and craft workers. This exodus will create a huge gap in the workforce tasked with implementing comprehensive transportation funding approved by the General Assembly in 2013 to fix our deteriorating state and local roads.