
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1725 Session of
2013

INTRODUCED BY MACKENZIE, SIMMONS, EVANKOVICH, AUMENT, BISHOP,
BOBACK, COHEN, CUTLER, DUNBAR, EVERETT, GINGRICH, GROVE,
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MIRABITO, MURT, O'NEILL, OBERLANDER, QUINN, REED, REGAN,
SAYLOR, SCHLOSSBERG, THOMAS, TOBASH, TOOHL, TURZAI AND
WATSON, OCTOBER 17, 2013

REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, OCTOBER 17, 2013

AN ACT

1 Providing for school-to-work pilot programs; establishing the
2 CareerBound Program; providing for a tax credit; and imposing
3 powers and duties on the Department of Labor and Industry.

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

6 Section 1. Short title.

7 This act shall be known and may be cited as the CareerBound
8 Act.

9 Section 2. Definitions.

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

13 "Board." As defined in section 103 of the act of December
14 18, 2001 (P.L.949, No.114), known as the Workforce Development
15 Act.

16 "Business partner." A business entity authorized to do

1 business in this Commonwealth that employs individuals in a
2 high-priority occupation.

3 "CareerBound." The pilot program established in section 3.

4 "Department." The Department of Labor and Industry of the
5 Commonwealth.

6 "High-priority occupation." An occupation which is included
7 in the list issued by the Department of Labor and Industry under
8 section 1302(e) of the act of December 18, 2001 (P.L.949,
9 No.114), known as the Workforce Development Act.

10 "Local workforce investment board." As defined in section
11 103 of the act of December 18, 2001 (P.L.949, No.114), known as
12 the Workforce Development Act.

13 "Participating agencies." The term includes the Department
14 of Education and the Department of Community and Economic
15 Development of the Commonwealth.

16 "Pass-through entity." A partnership as defined in section
17 301(n.0) of the act of March 4, 1971 (P.L.6, No.2), known as the
18 Tax Reform Code of 1971, a single-member limited liability
19 company treated as a disregarded entity for Federal income tax
20 purposes or a Pennsylvania S corporation as defined in section
21 301(n.1) of the Tax Reform Code of 1971.

22 "Payment." An amount of money paid in consideration for a
23 tax credit under section 7(d).

24 "Program partners." All entities that participate in a
25 school-to-work pilot program.

26 "Replacement school-to-work pilot program." A school-to-work
27 pilot program which has been approved to participate in
28 CareerBound under section 5(e).

29 "School partner." A school district, vocational-technical
30 school, intermediate unit, charter school or cyber charter

1 school.

2 "School-to-work pilot program." A pilot program which has
3 been approved to participate in CareerBound.

4 "Tax liability." An amount of tax due under Article III, IV,
5 VI, VII, VIII, IX or XV of the act of March 4, 1971 (P.L.6,
6 No.2), known as the Tax Reform Code of 1971, or under Article
7 XVI of the act of May 17, 1921 (P.L.682, No.284), known as The
8 Insurance Company Law of 1921.

9 "Taxpayer." A business entity authorized to do business in
10 this Commonwealth and subject to taxes imposed under Article
11 III, IV, VI, VII, VIII, IX or XV of the act of March 4, 1971
12 (P.L.6, No.2), known as the Tax Reform Code of 1971 or a tax
13 under Article XVI of the act of May 17, 1921 (P.L.682, No.284),
14 known as The Insurance Company Law of 1921. The term includes a
15 pass-through entity.

16 "Tax Reform Code." The act of March 4, 1971 (P.L.6, No.2),
17 known as the Tax Reform Code of 1971.

18 "Workforce Development Act." The act of December 18, 2001
19 (P.L.949, No.114), known as the Workforce Development Act.

20 Section 3. CareerBound Program.

21 (a) Establishment.--There is established within the
22 department a pilot program to be known as CareerBound.

23 (b) Administration.--The program shall be administered by
24 the department to empower local workforce investment boards,
25 school partners and business partners to collaboratively develop
26 innovative school-to-work pilot programs to do all the
27 following:

28 (1) Provide students with career exploration
29 opportunities and exposure to high-priority occupations which
30 will enable each student to make an informed decision on his

1 or her future career path.

2 (2) Provide local workforce investment boards with the
3 funding and support necessary to implement innovative school-
4 to-work pilot programs.

5 (3) Provide business partners with an opportunity to
6 develop collaborative relationships with school partners and
7 local workforce investment boards so that the next generation
8 of workers are well-equipped to meet the demand for high-
9 priority occupations.

10 (4) Provide school partners with the funds and framework
11 to deliver to students a relevant and rigorous curriculum
12 which prepares students for high-priority occupations.

13 Section 4. School-to-work pilot program requirements.

14 (a) Curriculum.--The curriculum for a school-to-work pilot
15 program must include one or more of the following components:

16 (1) Early exposure. Curriculum approved under this
17 paragraph must provide students with a broad orientation to
18 the tools, processes and procedures used by individuals
19 employed in a high-priority occupation. Activities may
20 include student visits to a business partner's facilities for
21 company tours, demonstrations, field trips and lessons to
22 familiarize students with the basic features of a high-
23 priority occupation.

24 (2) Practical exposure. Curriculum approved under this
25 paragraph must provide students with a detailed understanding
26 of the tools, processes and procedures used by individuals
27 employed in a high-priority occupation. Activities may
28 include extended visits by students to a business partner's
29 facilities for demonstrations, job shadowing and hands-on
30 experience with the duties and skills necessary to be

1 employed in a high-priority occupation.

2 (3) Extended exposure. Curriculum approved under this
3 paragraph must provide students with an in-depth
4 understanding of the tools, processes and procedures used by
5 individuals employed in a high-priority occupation.

6 Activities may include apprenticeships, internships and
7 cooperative learning opportunities to give the student
8 practical knowledge which could be directly applicable to a
9 high-priority occupation.

10 (b) Occupational focus.--Curricula approved under subsection
11 (a) must be focused on providing students with exposure to high-
12 priority occupations which are either designated as high-
13 priority occupations Statewide or within the region served by
14 the local workforce investment board.

15 Section 5. Application and approval process.

16 (a) Application.--A local workforce investment board may
17 submit an application to the department requesting approval for
18 participation in CareerBound.

19 (b) Application requirements.--A completed application must
20 describe the proposed school-to-work pilot program on a form and
21 in a manner prescribed by the department. An application must
22 include all of the following:

23 (1) A list of program partners, including a declaration
24 of interest by at least one school partner and at least one
25 business partner. The program partners may include nonprofit
26 business-support entities and economic development agencies.

27 (2) A description of proposed curriculum, encompassing
28 at least one component listed in section 4(a)(1), (2) and
29 (3).

30 (3) A projection of costs associated with the proposed

1 school-to-work pilot program, including an enumeration of any
2 opportunities to leverage other funding and programming
3 resources.

4 (4) A list of high-priority occupations which will be
5 the focus of the proposed school-to-work pilot program.

6 (5) Documentation of any commitment by a business
7 partner that plans to make payment to the CareerBound program
8 and will seek to utilize the tax credit provisions in section
9 7(a).

10 (6) A start date for the proposed school-to-work pilot
11 program.

12 (c) Approval process.--

13 (1) The department, in consultation with participating
14 agencies and the board as needed, shall approve up to seven
15 school-to-work pilot programs for participation in
16 CareerBound.

17 (2) Priority must be given to a proposed school-to-work
18 pilot program demonstrating one or more of the following
19 characteristics:

20 (i) substantial program integration across
21 educational levels, including use of multiple curricula
22 components listed in section 4(a);

23 (ii) an ability to leverage other funding and
24 programming resources; or

25 (iii) a commitment from a business partner to
26 provide preferred interviews to students completing the
27 school-to-work pilot program.

28 (3) Additional consideration must be given to a proposed
29 school-to-work pilot program which includes multiple business
30 partners or multiple school partners.

1 (d) Contractual relationship.--At the completion of the
2 approval process, the department shall enter into a contract
3 with all program partners connected to a school-to-work pilot
4 program. The contract shall require the signatories to provide
5 the services described in the approved school-to-work pilot
6 program from funds appropriated or distributed for this purpose
7 or from funds identified by the participating agencies for this
8 purpose under the general appropriation act.

9 (e) Termination and replacement.--The department, in
10 consultation with participating agencies and the board as
11 needed, may terminate a school-to-work pilot program for failure
12 to comply with program requirements. Consistent with the
13 requirements in subsection (c), a replacement school-to-work
14 pilot program may be approved.

15 (f) Expiration.--A school-to-work pilot program shall expire
16 at the end of the fourth school year of operation.

17 Section 6. Program operation.

18 (a) Cooperative management.--In collaboration with the
19 participating agencies and the board, the department shall
20 manage the operation of CareerBound, establish an application
21 process and institute such guidelines and procedures as are
22 necessary to implement CareerBound. The guidelines must
23 enumerate allowed and disallowed expenses, provided that
24 administrative expenses over 5% shall be disallowed.

25 (b) Distribution.--The department, in consultation with
26 participating agencies and the board as needed, shall determine
27 the distribution of available funds from the restricted account
28 in section 7(e) among the school-to-work pilot programs.

29 Section 7. Application for tax credit.

30 (a) Business partner.--A taxpayer that is a business partner

1 may apply to the Department of Community and Economic
2 Development for a tax credit. An application under this
3 subsection must include the amount of tax credit requested by
4 the taxpayer and must be made within 90 days of the taxpayer's
5 signing of the contract under section 5(d).

6 (b) Other taxpayers.--A taxpayer that is not a business
7 partner may apply to the Department of Community and Economic
8 Development for a tax credit. An application under this
9 subsection must include the amount of tax credit requested by
10 the taxpayer.

11 (c) Availability of tax credits.--The following shall apply:

12 (1) For taxpayers that are business partners applying
13 for a tax credit under subsection (a), tax credits under this
14 article shall be made available by the Department of
15 Community and Economic Development on a first-come, first-
16 served basis within the limitation established under
17 subsection (g).

18 (2) Tax credits remaining after the allocation under
19 paragraph (1) shall be made available to all other taxpayers
20 by the Department of Community and Economic Development on a
21 first-come, first-served basis within the limitation
22 established under subsection (g).

23 (d) Payments.--A taxpayer that is approved to receive a tax
24 credit under subsection (a) or (b) shall make payment to the
25 Department of Community and Economic Development in the amount
26 approved by the Department of Community and Economic
27 Development. The payment shall be made in the manner prescribed
28 by the Department of Community and Economic Development.

29 (e) Restricted account.--The Department of Community and
30 Economic Development shall deposit all payments made pursuant to

1 subsection (d) into a restricted account for distribution to
2 school-to-work pilot programs according to section 6(b).

3 (f) Tax credit certificate.--The following shall apply:

4 (1) Upon receipt of payment under subsection (d), the
5 Department of Community and Economic Development shall issue
6 to the taxpayer a tax credit certificate equal to the total
7 tax credits approved for the taxpayer. For a taxpayer that is
8 a business partner applying under subsection (a), the tax
9 credit amount must be equal to 90% of the amount paid in
10 subsection (d). For a taxpayer applying under subsection (b),
11 the tax credit amount must be equal to 75% of the amount paid
12 in subsection (d).

13 (2) The tax credit certificate must state:

14 (i) The amount of tax credits that the taxpayer may
15 claim.

16 (ii) The tax years in which the tax credits may
17 first be utilized by the taxpayer.

18 (iii) A penalty or other remedy for noncompliance.

19 (iv) The procedure to be used for transferring the
20 tax credits to another taxpayer.

21 (v) Other requirements that the Department of
22 Community and Economic Development and Department of
23 Revenue consider to be necessary.

24 (g) Amount.--The total aggregate amount of all tax credits
25 issued under this act may not exceed \$10,000,000.

26 Section 8. Carryover, carryback, refund and assignment.

27 (a) Carryover.--If the taxpayer cannot use the entire amount
28 of the tax credit for the taxable year in which the taxpayer is
29 eligible for the credit, the excess may be carried over to
30 succeeding taxable years and used as a credit against the

1 taxpayer's tax liability for those taxable years. Each time that
2 the tax credit is carried over to a succeeding taxable year it
3 shall be reduced by the amount of tax credits claimed during the
4 immediately preceding taxable year. The tax credits expire no
5 later than June 30, 2018.

6 (b) Carryback or refund.--A taxpayer may not be entitled to
7 carry back or obtain a refund of an unused tax credit.

8 (c) Sale or assignment.--A taxpayer, upon application to and
9 approval by the Department of Revenue, may sell or assign, in
10 whole or in part, a tax credit granted to the taxpayer under
11 this act if the taxpayer does not have a tax liability against
12 which the tax credit may be applied in a taxable year in which
13 the tax credit is permitted to be claimed. The Department of
14 Revenue shall establish guidelines for the approval of an
15 application under this subsection. Before an application is
16 approved, the Department of Revenue shall make a finding that
17 the taxpayer and its assignee have filed the required State tax
18 reports and returns for the taxable years and paid any balance
19 of State tax due as determined by the Department of Revenue.

20 (d) Purchaser and assignee.--The purchaser or assignee of a
21 tax credit under subsection (c) shall immediately claim the
22 credit against its tax liability in the taxable year in which
23 the purchase or assignment is made. The purchaser or assignee
24 may not carry back, carry forward or obtain a refund of or sell
25 or assign the tax credit. The purchaser or assignee shall notify
26 the Department of Revenue of the seller or assignor of the tax
27 credit in compliance with procedures specified by the Department
28 of Revenue.

29 Section 9. Annual and final reports.

30 (a) Annual reports.--Within 60 days of the end of a school

1 year in which a school-to-work pilot program is in operation,
2 the department, participating agencies and the board shall
3 jointly submit a report to the Governor, the Auditor General,
4 the chairman and minority chairman of the Appropriations
5 Committee of the Senate, the chairman and minority chairman of
6 the Education Committee of the Senate, the chairman and minority
7 chairman of the Labor and Industry Committee of the Senate, the
8 chairman and minority chairman of the Appropriations Committee
9 of the House of Representatives, the chairman and minority
10 chairman of the Education Committee of the House of
11 Representatives and the chairman and minority chairman of the
12 Labor and Industry Committee of the House of Representatives
13 regarding the implementation of CareerBound and the school-to-
14 work pilot programs over the previous school year.

15 (b) Final report.--Within six months of the expiration of
16 the school-to-work pilot programs according to section 5(f), the
17 department, participating agencies and the board shall jointly
18 submit a report to the the Governor, the Auditor General, the
19 chairman and minority chairman of the Appropriations Committee
20 of the Senate, the chairman and minority chairman of the
21 Education Committee of the Senate, the chairman and minority
22 chairman of the Labor and Industry Committee of the Senate, the
23 chairman and minority chairman of the Appropriations Committee
24 of the House of Representatives, the chairman and minority
25 chairman of the Education Committee of the House of
26 Representatives and the chairman and minority chairman of the
27 Labor and Industry Committee of the House of Representatives
28 regarding the implementation of CareerBound and the school-to-
29 work pilot programs.

30 (c) Report contents.--In addition to information or analysis

1 required by the department, in consultation with participating
2 agencies and the board as needed, the interim and final reports
3 must include information about each school-to-work pilot
4 program, including the number of participating students and the
5 amount spent.

6 Section 10. Effective date.

7 This act shall take effect immediately.