

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, KAUFFMAN, KNOWLES, KORTZ, KULA, LUCAS, MILLARD, MILNE, MIRABITO, MURT, O'NEILL, OBERLANDER, QUINN, REED, REGAN, SAYLOR, SCHLOSSBERG, THOMAS, TOBASH, TOOHL, TURZAI, WATSON, DAY, FLECK AND DAVIS, OCTOBER 17, 2013

AS REPORTED FROM COMMITTEE ON LABOR AND INDUSTRY, HOUSE OF REPRESENTATIVES, AS AMENDED, DECEMBER 10, 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 "INSTITUTIONS OF HIGHER EDUCATION." THE TERM INCLUDES ANY OF <--
11 THE FOLLOWING:

12 (1) A COMMUNITY COLLEGE OPERATING UNDER ARTICLE XIX-A OF
13 THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE
14 PUBLIC SCHOOL CODE OF 1949.

15 (2) A UNIVERSITY WITHIN THE STATE SYSTEM OF HIGHER
16 EDUCATION.

17 (3) THE PENNSYLVANIA STATE UNIVERSITY.

18 (4) THE UNIVERSITY OF PITTSBURGH.

19 (5) TEMPLE UNIVERSITY.

20 (6) LINCOLN UNIVERSITY.

21 (7) ANY OTHER INSTITUTION THAT THE COMMONWEALTH
22 DESIGNATES AS A STATE-RELATED INSTITUTION OF HIGHER
23 EDUCATION.

24 (8) THE THADDEUS STEVENS COLLEGE OF TECHNOLOGY.

25 (9) ANY ACCREDITED PRIVATE OR INDEPENDENT COLLEGE OR
26 UNIVERSITY.

27 "Local workforce investment board." As defined in section
28 103 of the act of December 18, 2001 (P.L.949, No.114), known as
29 the Workforce Development Act.

30 "Participating agencies." The term includes the Department

1 of Education and the Department of Community and Economic
2 Development of the Commonwealth.

3 "Pass-through entity." A partnership as defined in section
4 301(n.0) of the act of March 4, 1971 (P.L.6, No.2), known as the
5 Tax Reform Code of 1971, a single-member limited liability
6 company treated as a disregarded entity for Federal income tax
7 purposes or a Pennsylvania S corporation as defined in section
8 301(n.1) of the Tax Reform Code of 1971.

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

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

13 "Replacement school-to-work pilot program." A school-to-work
14 pilot program which has been approved to participate in
15 CareerBound under section 5(e).

16 "School partner." A school district, vocational-technical
17 school, intermediate unit, charter school or cyber charter
18 school.

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

21 "SOFT SKILLS." THE WORKPLACE INTERPERSONAL AND PROFESSIONAL <--
22 SKILLS THAT ARE NECESSARY FOR AN EMPLOYEE TO ADHERE TO GENERALLY
23 ACCEPTED WORKPLACE BEHAVIORS. THE TERM INCLUDES WORK ETHIC,
24 PROMPTNESS, INTEGRITY AND RESPECT FOR OTHERS.

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

30 "Taxpayer." A business entity authorized to do business in

1 this Commonwealth and subject to taxes imposed under Article
2 III, IV, VI, VII, VIII, IX or XV of the act of March 4, 1971
3 (P.L.6, No.2), known as the Tax Reform Code of 1971 or a tax
4 under Article XVI of the act of May 17, 1921 (P.L.682, No.284),
5 known as The Insurance Company Law of 1921. The term includes a
6 pass-through entity.

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

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

11 Section 3. CareerBound Program.

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

14 (b) Administration.--The program shall be administered by
15 the department to empower local workforce investment boards,
16 school partners and business partners to collaboratively develop
17 innovative school-to-work pilot programs to do all the
18 following:

19 (1) Provide students with career exploration
20 opportunities and exposure to high-priority occupations which
21 will enable each student to make an informed decision on his
22 or her future career path.

23 (2) Provide local workforce investment boards with the
24 funding and support necessary TO CONVENE SCHOOL PARTNERS AND <--
25 BUSINESS PARTNERS to implement innovative school-to-work
26 pilot programs.

27 (3) Provide business partners with an opportunity to
28 PARTICIPATE IN A TAX CREDIT PROGRAM AND TO develop <--
29 collaborative relationships with school partners and local
30 workforce investment boards so that the next generation of

1 workers are well-equipped to meet the demand for high-
2 priority occupations.

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

6 (5) PROVIDE PROGRAM PARTNERS WITH INFORMATIONAL <--
7 RESOURCES TO HELP THEM CONDUCT SUCCESSFUL SCHOOL-TO-WORK
8 PILOT PROGRAMS.

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

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

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

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

28 (3) Extended exposure. Curriculum approved under this
29 paragraph must provide students with an in-depth
30 understanding of the tools, processes and procedures used by

1 individuals employed in a high-priority occupation.
2 Activities may include apprenticeships, internships and
3 cooperative learning opportunities to give the student
4 practical knowledge which could be directly applicable to a
5 high-priority occupation.

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

11 (C) SOFT SKILLS DEVELOPMENT.--CURRICULA APPROVED UNDER <--
12 SUBSECTION (A) MUST INCLUDE SOME INSTRUCTION ON THE DEVELOPMENT
13 OF SOFT SKILLS.

14 Section 5. Application and approval process.

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

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

22 (1) A list of program partners, including a declaration
23 of interest by at least one school partner and at least one
24 business partner. The program partners may include
25 INSTITUTIONS OF HIGHER EDUCATION, nonprofit business-support <--
26 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 (7) A LIST OF CLEAR OBJECTIVES AND MEASURABLE GOALS THAT <--
13 THE PROPOSED SCHOOL-TO-WORK PILOT PROGRAM WILL SEEK TO
14 ACHIEVE.

15 (8) DOCUMENTATION OF AN AGREEMENT AMONG THE PROGRAM
16 PARTNERS DESCRIBING THE ROLE OF EACH PROGRAM PARTNER WITHIN
17 THE PROPOSED SCHOOL-TO-WORK PILOT PROGRAM AND THE
18 EXPECTATIONS THAT EACH PROGRAM PARTNER AGREES TO FULFILL.

19 (c) Approval process.--

20 (1) The department, in consultation with participating
21 agencies and the board as needed, shall approve up to seven
22 school-to-work pilot programs for participation in
23 CareerBound.

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

27 (i) substantial program integration across
28 educational levels, including use of multiple curricula
29 components listed in section 4(a);

30 (ii) an ability to leverage other funding and

1 programming resources; or
2 (iii) a commitment from a business partner to
3 provide preferred interviews to students completing the
4 school-to-work pilot program.

5 (3) Additional consideration must be given to a proposed
6 school-to-work pilot program which includes multiple business
7 partners or multiple school partners OR WHICH TARGETS MIDDLE <--
8 SCHOOL OR EARLY HIGH SCHOOL STUDENTS FOR EARLY EXPOSURE
9 ACTIVITIES.

10 (d) Contractual relationship.--~~At~~ WITHIN 30 DAYS OF the <--
11 completion of the approval process, the department shall enter
12 into a contract with all ~~program partners connected to a school~~ <--
13 ~~to work pilot program~~ LOCAL WORKFORCE INVESTMENT BOARDS THAT <--
14 SUBMITTED AN APPLICATION THAT WAS APPROVED. The contract shall
15 require the signatories to provide the services described in the
16 approved school-to-work pilot program from funds appropriated or
17 distributed for this purpose or from funds identified by the
18 participating agencies for this purpose under the general
19 appropriation act.

20 (e) Termination and replacement.--The department, in
21 consultation with participating agencies and the board as
22 needed, may terminate a school-to-work pilot program for failure
23 to comply with program requirements. Consistent with the
24 requirements in subsection (c), a replacement school-to-work
25 pilot program may be approved.

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

28 Section 6. Program operation.

29 (a) Cooperative management.--In collaboration with the
30 participating agencies and the board, the department shall

1 manage the operation of CareerBound, establish an application
2 process, ENUMERATE OUTCOME-BASED METRICS BY WHICH SCHOOL-TO-WORK <--
3 PILOT PROGRAMS WILL BE EVALUATED IN THE REPORTS UNDER SECTION 9
4 and institute such guidelines and procedures as are necessary to
5 implement CareerBound. The guidelines must enumerate allowed and
6 disallowed expenses, provided that administrative expenses over
7 5% shall be disallowed.

8 (A.1) INFORMATIONAL RESOURCES.--IN COLLABORATION WITH THE <--
9 PARTICIPATING AGENCIES AND THE BOARD, THE DEPARTMENT SHALL
10 PROVIDE INFORMATIONAL RESOURCES TO HELP PROGRAM PARTNERS CONDUCT
11 SUCCESSFUL SCHOOL-TO-WORK PILOT PROGRAMS.

12 (b) Distribution.--The department, in consultation with
13 participating agencies and the board as needed, shall determine
14 the distribution of available funds from the restricted account
15 in section 7(e) among the school-to-work pilot programs, <--
16 PROVIDED THAT A SCHOOL-TO-WORK PILOT PROGRAM RECEIVES NO LESS
17 THAN 50% OF THE FUNDS DESIGNATED TO IT UNDER SECTION 7(C.1).
18 Section 7. Application for tax credit.

19 (a) Business partner.--A taxpayer that is a business partner
20 may apply to the Department of Community and Economic
21 Development for a tax credit. An application under this
22 subsection must include the amount of tax credit requested by
23 the taxpayer and must be made within ~~90~~ 30 days of the <--
24 taxpayer's signing of the contract under section 5(d).

25 (b) Other taxpayers.--A taxpayer that is not a business
26 partner may apply to the Department of Community and Economic
27 Development for a tax credit. An application under this
28 subsection must include the amount of tax credit requested by
29 the taxpayer.

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

1 (1) For taxpayers that are business partners applying
2 for a tax credit under subsection (a), tax credits under this
3 article shall be made available by the Department of
4 Community and Economic Development on a first-come, first-
5 served basis within the limitation established under
6 subsection (g). THE AVAILABILITY OF TAX CREDITS UNDER THIS <--
7 PARAGRAPH SHALL EXPIRE 90 DAYS AFTER COMPLETION OF THE
8 APPROVAL PROCESS UNDER SECTION 5(C).

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

14 (C.1) DESIGNATION BY TAXPAYER.--A TAXPAYER APPLYING FOR A <--
15 TAX CREDIT UNDER SUBSECTION (A) OR (B) MAY DESIGNATE A SCHOOL-
16 TO-WORK PILOT PROGRAM TO RECEIVE FUNDS UNDER SECTION 6(B).

17 (d) Payments.--A taxpayer that is approved to receive a tax
18 credit under subsection (a) or (b) shall make payment to the
19 Department of Community and Economic Development in the amount
20 approved by the Department of Community and Economic
21 Development. The payment shall be made in the manner prescribed
22 by the Department of Community and Economic Development.

23 (e) Restricted account.--The Department of Community and
24 Economic Development shall deposit all payments made pursuant to
25 subsection (d) into a restricted account for distribution to
26 school-to-work pilot programs according to section 6(b).

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

28 (1) Upon receipt of payment under subsection (d), the
29 Department of Community and Economic Development shall issue
30 to the taxpayer a tax credit certificate equal to the total

1 tax credits approved for the taxpayer. For a taxpayer that is
2 a business partner applying under subsection (a), the tax
3 credit amount must be equal to 90% of the amount paid in
4 subsection (d). For a taxpayer applying under subsection (b),
5 the tax credit amount must be equal to 75% of the amount paid
6 in subsection (d).

7 (2) The tax credit certificate must state:

8 (i) The amount of tax credits that the taxpayer may
9 claim.

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

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

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

15 (v) Other requirements that the Department of
16 Community and Economic Development and Department of
17 Revenue consider to be necessary.

18 ~~(g) Amount. The total aggregate amount of all tax credits~~ <--

19 (G) AMOUNT.-- <--

20 (1) THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS issued
21 under this act may not exceed \$10,000,000.

22 (2) THE TOTAL AMOUNT OF TAX CREDITS ISSUED TO A TAXPAYER <--
23 UNDER THIS ACT MAY NOT EXCEED \$500,000.

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

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

1 shall be reduced by the amount of tax credits claimed during the
2 immediately preceding taxable year. The tax credits ~~expire no~~ <--
3 ~~later than June 30, 2018~~ AWARDED UNDER THIS ACT MAY NOT BE <--
4 UTILIZED FOR TAX YEARS BEGINNING AFTER DECEMBER 31, 2018.

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

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

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

28 Section 9. Annual and final reports.

29 (a) Annual reports.--Within 60 days of the end of a school
30 year in which a school-to-work pilot program is in operation,

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

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

29 (c) Report contents.--In addition to information or analysis
30 required by the department, in consultation with participating

1 agencies and the board as needed, the interim and final reports
2 must include information about each school-to-work pilot
3 program, including WHETHER EACH SCHOOL-TO-WORK PILOT PROGRAM <--
4 ACHIEVED THE CLEAR OBJECTIVES AND MEASURABLE GOALS PROPOSED
5 UNDER SECTION 5(B)(7), AN ANALYSIS OF EACH SCHOOL-TO-WORK PILOT
6 PROGRAM ACCORDING TO THE OUTCOME-BASED METRICS ENUMERATED BY THE
7 DEPARTMENT IN SECTION 6(A), the number of participating students
8 and the amount spent. THE REPORTS MUST IDENTIFY BEST PRACTICES <--
9 OBSERVED FROM AMONG THE MOST SUCCESSFUL SCHOOL-TO-WORK PROGRAMS.
10 Section 10. Effective date.
11 This act shall take effect immediately.