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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1025 Session of  
2021

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INTRODUCED BY R. MACKENZIE, R. BROWN, FREEMAN, HILL-EVANS,  
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APRIL 12, 2021

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REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, APRIL 12, 2021

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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 Workforce  
14 Development Act.

15 "Business partner." A business entity authorized to do  
16 business in this Commonwealth that employs individuals in a  
17 high-priority occupation.

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

2 "Department." The Department of Labor and Industry of the  
3 Commonwealth.

4 "High-priority occupation." An occupation which is included  
5 in the list issued by the department under section 1302(e) of  
6 the Workforce Development Act.

7 "Institutions of higher education." The term includes any of  
8 the following:

9 (1) A community college operating under Article XIX-A of  
10 the act of March 10, 1949 (P.L.30, No.14), known as the  
11 Public School Code of 1949.

12 (2) A university within the State System of Higher  
13 Education.

14 (3) The Pennsylvania State University.

15 (4) The University of Pittsburgh.

16 (5) Temple University.

17 (6) Lincoln University.

18 (7) Any other institution that the Commonwealth  
19 designates as a State-related institution of higher  
20 education.

21 (8) The Thaddeus Stevens College of Technology.

22 (9) Any accredited private or independent college or  
23 university.

24 "Local workforce investment board." As defined in section  
25 103 of the Workforce Development Act.

26 "Participating agencies." The term includes the Department  
27 of Education and the Department of Community and Economic  
28 Development of the Commonwealth.

29 "Pass-through entity." A partnership as defined in section  
30 301(n.0) of the Tax Reform Code, a single-member limited

1 liability company treated as a disregarded entity for Federal  
2 income tax purposes or a Pennsylvania S corporation as defined  
3 in section 301(n.1) of the Tax Reform Code.

4 "Payment." An amount of money paid in consideration for a  
5 tax credit under section 7(e).

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

8 "Replacement school-to-work pilot program." A school-to-work  
9 pilot program which has been approved to participate in  
10 CareerBound under section 5(e).

11 "School partner." A school district, area career and  
12 technical school, intermediate unit, charter school or cyber  
13 charter school.

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

16 "Soft skills." The workplace interpersonal and professional  
17 skills that are necessary for an employee to adhere to generally  
18 accepted workplace behaviors. The term includes work ethic,  
19 promptness, integrity and respect for others.

20 "Tax liability." An amount of tax due under Article III, IV,  
21 VI, VII, VIII, IX or XV of the Tax Reform Code or under Article  
22 XVI of the act of May 17, 1921 (P.L.682, No.284), known as The  
23 Insurance Company Law of 1921.

24 "Taxpayer." A business entity authorized to do business in  
25 this Commonwealth and subject to taxes imposed under Article  
26 III, IV, VI, VII, VIII, IX or XV of the Tax Reform Code or a tax  
27 under Article XVI of The Insurance Company Law of 1921. The term  
28 includes a pass-through entity.

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

1 "Workforce Development Act." The act of December 18, 2001  
2 (P.L.949, No.114), known as the Workforce Development Act.  
3 Section 3. CareerBound Program.

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

6 (b) Administration.--The program shall be administered by  
7 the department to empower local workforce investment boards,  
8 school partners and business partners to collaboratively develop  
9 innovative school-to-work pilot programs to do all the  
10 following:

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

15 (2) Provide local workforce investment boards with the  
16 funding and support necessary to convene school partners and  
17 business partners to implement innovative school-to-work  
18 pilot programs.

19 (3) Provide business partners with an opportunity to  
20 participate in a tax credit program and to develop  
21 collaborative relationships with school partners and local  
22 workforce investment boards so that the next generation of  
23 workers are well-equipped to meet the demand for high-  
24 priority occupations.

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

28 (5) Provide program partners with informational  
29 resources to help them conduct successful school-to-work  
30 pilot programs.

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

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

4 (1) Early exposure. Curriculum approved under this  
5 paragraph must provide students with a broad orientation to  
6 the tools, processes and procedures used by individuals  
7 employed in a high-priority occupation. Activities may  
8 include student visits to a business partner's facilities for  
9 company tours, demonstrations, field trips and lessons to  
10 familiarize students with the basic features of a high-  
11 priority occupation.

12 (2) Practical exposure. Curriculum approved under this  
13 paragraph must provide students with a detailed understanding  
14 of the tools, processes and procedures used by individuals  
15 employed in a high-priority occupation. Activities may  
16 include extended visits by students to a business partner's  
17 facilities for demonstrations, job shadowing and hands-on  
18 experience with the duties and skills necessary to be  
19 employed in a high-priority occupation.

20 (3) Extended exposure. Curriculum approved under this  
21 paragraph must provide students with an in-depth  
22 understanding of the tools, processes and procedures used by  
23 individuals employed in a high-priority occupation.  
24 Activities may include apprenticeships, internships and  
25 cooperative learning opportunities to give the student  
26 practical knowledge which could be directly applicable to a  
27 high-priority occupation.

28 (b) Occupational focus.--Curricula approved under subsection  
29 (a) must be focused on providing students with exposure to high-  
30 priority occupations which are either designated as high-

1 priority occupations Statewide or within the region served by  
2 the local workforce investment board.

3 (c) Soft skills development.--Curricula approved under  
4 subsection (a) must include some instruction on the development  
5 of soft skills.

6 Section 5. Application and approval process.

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

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

14 (1) A list of program partners, including a declaration  
15 of interest by at least one school partner and at least one  
16 business partner. The program partners may include  
17 institutions of higher education, nonprofit business-support  
18 entities and economic development agencies.

19 (2) A description of proposed curriculum, encompassing  
20 at least one component listed in section 4(a)(1), (2) and  
21 (3).

22 (3) A projection of costs associated with the proposed  
23 school-to-work pilot program, including an enumeration of any  
24 opportunities to leverage other funding and programming  
25 resources.

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

28 (5) Documentation of any commitment by a business  
29 partner that plans to make payment to the CareerBound program  
30 and will seek to utilize the tax credit provisions in section

1 7(a).

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

4 (7) A list of clear objectives and measurable goals that  
5 the proposed school-to-work pilot program will seek to  
6 achieve.

7 (8) Documentation of an agreement among the program  
8 partners describing the role of each program partner within  
9 the proposed school-to-work pilot program and the  
10 expectations that each program partner agrees to fulfill.

11 (c) Approval process.--

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

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

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

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

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

27 (3) Additional consideration must be given to a proposed  
28 school-to-work pilot program which includes multiple business  
29 partners or multiple school partners or which targets middle  
30 school or early high school students for early exposure

1 activities or which is integrated into a school partner's  
2 curriculum as a credit course.

3 (d) Contractual relationship.--Within 30 days of the  
4 completion of the approval process, the department shall enter  
5 into a contract with all local workforce investment boards that  
6 submitted an application that was approved. The contract shall  
7 require the signatories to provide the services described in the  
8 approved school-to-work pilot program from funds appropriated or  
9 distributed for this purpose or from funds identified by the  
10 participating agencies for this purpose under the general  
11 appropriation act.

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

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

20 Section 6. Program operation.

21 (a) Cooperative management.--In collaboration with the  
22 participating agencies and the board, the department shall  
23 manage the operation of CareerBound, establish an application  
24 process, enumerate outcome-based metrics by which school-to-work  
25 pilot programs will be evaluated in the reports under section 9  
26 and institute guidelines and procedures as necessary to  
27 implement CareerBound. The guidelines must enumerate allowed and  
28 disallowed expenses, provided that administrative expenses over  
29 5% shall be disallowed.

30 (b) Informational resources.--In collaboration with the

1 participating agencies and the board, the department shall  
2 provide informational resources to help program partners conduct  
3 successful school-to-work pilot programs.

4 (c) Distribution.--The department, in consultation with  
5 participating agencies and the board as needed, shall determine  
6 the distribution of available funds from the restricted account  
7 in section 7(f) among the school-to-work pilot programs,  
8 provided that a school-to-work pilot program receives no less  
9 than 50% of the funds designated to it under section 7(d).

10 Section 7. Application for tax credit.

11 (a) Business partner.--A taxpayer that is a business partner  
12 may apply to the Department of Community and Economic  
13 Development for a tax credit. An application under this  
14 subsection must include the amount of tax credit requested by  
15 the taxpayer and must be made within 30 days of the taxpayer's  
16 signing of the contract under section 5(d).

17 (b) Other taxpayers.--A taxpayer that is not a business  
18 partner may apply to the Department of Community and Economic  
19 Development for a tax credit. An application under this  
20 subsection must include the amount of tax credit requested by  
21 the taxpayer.

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

23 (1) For taxpayers that are business partners applying  
24 for a tax credit under subsection (a), tax credits under this  
25 act shall be made available by the Department of Community  
26 and Economic Development on a first-come, first-served basis  
27 within the limitation established under subsection (g). The  
28 availability of tax credits under this paragraph shall expire  
29 90 days after completion of the approval process under  
30 section 5(c).

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

6           (d) Designation by taxpayer.--A taxpayer applying for a tax  
7 credit under subsection (a) or (b) may designate a school-to-  
8 work pilot program to receive funds under section 6(c).

9           (e) Payments.--A taxpayer that is approved to receive a tax  
10 credit under subsection (a) or (b) shall make payment to the  
11 Department of Community and Economic Development in the amount  
12 approved by the Department of Community and Economic  
13 Development. The payment shall be made in the manner prescribed  
14 by the Department of Community and Economic Development.

15           (f) Restricted account.--The Department of Community and  
16 Economic Development shall deposit all payments made under  
17 subsection (e) into a restricted account for distribution to  
18 school-to-work pilot programs according to section 6(c).

19           (g) Tax credit certificate.--The following shall apply:

20           (1) Upon receipt of payment under subsection (e), the  
21 Department of Community and Economic Development shall issue  
22 to the taxpayer a tax credit certificate equal to the total  
23 tax credits approved for the taxpayer. For a taxpayer that is  
24 a business partner applying under subsection (a), the tax  
25 credit amount must be equal to 90% of the amount paid in  
26 subsection (e). For a taxpayer applying under subsection (b),  
27 the tax credit amount must be equal to 75% of the amount paid  
28 in subsection (e).

29           (2) The tax credit certificate must state:

30           (i) The amount of tax credits that the taxpayer may

1 claim.

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

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

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

7 (v) Other requirements that the Department of  
8 Community and Economic Development and Department of  
9 Revenue consider to be necessary.

10 (h) Amount.--

11 (1) The total aggregate amount of all tax credits issued  
12 under this act may not exceed \$10,000,000.

13 (2) The total amount of tax credits issued to a taxpayer  
14 under this act may not exceed \$500,000.

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

16 (a) Carryover.--If the taxpayer cannot use the entire amount  
17 of the tax credit for the taxable year in which the taxpayer is  
18 eligible for the credit, the excess may be carried over to  
19 succeeding taxable years and used as a credit against the  
20 taxpayer's tax liability for those taxable years. Each time that  
21 the tax credit is carried over to a succeeding taxable year it  
22 shall be reduced by the amount of tax credits claimed during the  
23 immediately preceding taxable year. The tax credits awarded  
24 under this act may not be utilized for tax years beginning after  
25 December 31, 2024.

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

28 (c) Sale or assignment.--A taxpayer, upon application to and  
29 approval by the Department of Revenue, may sell or assign, in  
30 whole or in part, a tax credit granted to the taxpayer under

1 this act if the taxpayer does not have a tax liability against  
2 which the tax credit may be applied in a taxable year in which  
3 the tax credit is permitted to be claimed. The Department of  
4 Revenue shall establish guidelines for the approval of an  
5 application under this subsection. Before an application is  
6 approved, the Department of Revenue shall make a finding that  
7 the taxpayer and its assignee have filed the required State tax  
8 reports and returns for the taxable years and paid any balance  
9 of State tax due as determined by the Department of Revenue.

10 (d) Purchaser and assignee.--The purchaser or assignee of a  
11 tax credit under subsection (c) shall immediately claim the  
12 credit against its tax liability in the taxable year in which  
13 the purchase or assignment is made. The purchaser or assignee  
14 may not carry back, carry forward or obtain a refund of or sell  
15 or assign the tax credit. The purchaser or assignee shall notify  
16 the Department of Revenue of the seller or assignor of the tax  
17 credit in compliance with procedures specified by the Department  
18 of Revenue.

19 Section 9. Annual and final reports.

20 (a) Annual reports.--Within 60 days of the end of a school  
21 year in which a school-to-work pilot program is in operation,  
22 the department, participating agencies and the board shall  
23 jointly submit a report to the Governor, the Auditor General,  
24 the chairperson and minority chairperson of the Appropriations  
25 Committee of the Senate, the chairperson and minority  
26 chairperson of the Education Committee of the Senate, the  
27 chairperson and minority chairperson of the Labor and Industry  
28 Committee of the Senate, the chairperson and minority  
29 chairperson of the Appropriations Committee of the House of  
30 Representatives, the chairperson and minority chairperson of the

1 Education Committee of the House of Representatives and the  
2 chairperson and minority chairperson of the Labor and Industry  
3 Committee of the House of Representatives regarding the  
4 implementation of CareerBound and the school-to-work pilot  
5 programs over the previous school year.

6 (b) Final report.--Within six months of the expiration of  
7 the school-to-work pilot programs according to section 5(f), the  
8 department, participating agencies and the board shall jointly  
9 submit a report to the the Governor, the Auditor General, the  
10 chairperson and minority chairperson of the Appropriations  
11 Committee of the Senate, the chairperson and minority  
12 chairperson of the Education Committee of the Senate, the  
13 chairperson and minority chairperson of the Labor and Industry  
14 Committee of the Senate, the chairperson and minority  
15 chairperson of the Appropriations Committee of the House of  
16 Representatives, the chairperson and minority chairperson of the  
17 Education Committee of the House of Representatives and the  
18 chairperson and minority chairperson of the Labor and Industry  
19 Committee of the House of Representatives regarding the  
20 implementation of CareerBound and the school-to-work pilot  
21 programs.

22 (c) Report contents.--In addition to information or analysis  
23 required by the department, in consultation with participating  
24 agencies and the board as needed, the interim and final reports  
25 must include information about each school-to-work pilot  
26 program, including whether each school-to-work pilot program  
27 achieved the clear objectives and measurable goals proposed  
28 under section 5(b)(7), an analysis of each school-to-work pilot  
29 program according to the outcome-based metrics enumerated by the  
30 department in section 6(a), the number of participating students

1 and the amount spent. The reports must identify best practices  
2 observed from among the most successful school-to-work programs.  
3 Section 10. Effective date.  
4 This act shall take effect immediately.