
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 882 Session of
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INTRODUCED BY R. MACKENZIE, M. MACKENZIE, MARCELL, SCHEUREN,
SOLOMON AND STAATS, APRIL 10, 2023

REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, APRIL 10, 2023

AN ACT

1 Providing for school-to-work programs; establishing the
2 CareerBound program; providing for a tax credit; and
3 conferring powers and imposing duties on the Department of
4 Community and Economic Development and the Department of
5 Labor and Industry.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the CareerBound
10 Act.

11 Section 2. Definitions.

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

15 "Board." As defined in section 103 of the Workforce
16 Development Act.

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

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

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

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

7 "Institution of higher education." Includes any of the
8 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 development board." As defined in section
25 103 of the Workforce Development Act.

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

29 "Pass-through entity." Any of the following:

30 (1) A partnership as defined in section 301(n.0) of the

1 Tax Reform Code.

2 (2) A single-member limited liability company treated as
3 a disregarded entity for Federal income tax purposes.

4 (3) A Pennsylvania S corporation as defined in section
5 301(n.1) of the Tax Reform Code.

6 "Payment." An amount of money paid in consideration for a
7 tax credit under section 7.

8 "Program partners." All entities that participate in a
9 school-to-work program.

10 "Qualified taxpayer." A business partner or a taxpayer that
11 has been approved for a tax credit under section 7.

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

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

17 "Soft skills." As follows:

18 (1) The workplace interpersonal and professional skills
19 that are necessary for an employee to adhere to generally
20 accepted workplace behaviors.

21 (2) The term includes work ethic, promptness, integrity
22 and respect for others.

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

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

29 "Taxpayer." As follows:

30 (1) A business entity authorized to do business in this

1 Commonwealth and subject to taxes imposed under Article III,
2 IV, VI, VII, VIII, IX or XV of the Tax Reform Code or a tax
3 under Article XVI of The Insurance Company Law of 1921.

4 (2) The term includes a pass-through entity.

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

7 Section 3. CareerBound program.

8 (a) Establishment.--The CareerBound program is established
9 within the department.

10 (b) Administration.--The department shall administer
11 CareerBound to empower local workforce development boards,
12 school partners and business partners to collaboratively develop
13 and implement innovative school-to-work programs to do all of
14 the following:

15 (1) Provide students with career exploration
16 opportunities and exposure to high-priority occupations,
17 which will enable each student to make an informed decision
18 on a future career path.

19 (2) Provide local workforce development boards with the
20 funding and support necessary to convene school partners and
21 business partners to implement innovative school-to-work
22 programs.

23 (3) Provide business partners with an opportunity to
24 participate in a tax credit program and to develop
25 collaborative relationships with school partners and local
26 workforce development boards so that the next generation of
27 workers is well-equipped to meet the demand for high-priority
28 occupations.

29 (4) Provide school partners with the funds and framework
30 to deliver to students a relevant and rigorous curriculum

1 that prepares students for high-priority occupations.

2 (5) Provide program partners with informational
3 resources to help them conduct successful school-to-work
4 programs.

5 Section 4. School-to-work program requirements.

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

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

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

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

1 applicable to a high-priority occupation.

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

7 (c) Soft skills development.--Curricula approved under
8 subsection (a) must include some instruction on the development
9 of soft skills.

10 Section 5. Application and approval process.

11 (a) Application.--A local workforce development board may
12 submit an application to the department requesting approval for
13 participation in CareerBound.

14 (b) Application requirements.--A completed application must
15 describe the proposed school-to-work program on a form and in a
16 manner prescribed by the department. An application must include
17 all of the following:

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

23 (2) A description of proposed curriculum, encompassing
24 at least one component listed in section 4(a)(1), (2) and
25 (3).

26 (3) A projection of annual costs associated with the
27 proposed school-to-work program, including:

28 (i) an enumeration of any opportunities to leverage
29 other funding and programming resources; and

30 (ii) a plan for how the school-to-work program will

1 be funded after the first four school years.

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

4 (5) Documentation of any commitment by a business
5 partner that plans to make payment to CareerBound and will
6 seek to utilize the tax credit provisions in section 7,
7 including the amount the business partner has agreed to
8 contribute during each of the first four school years.

9 (6) A start date for the proposed school-to-work
10 program, which shall approximately coincide with the
11 beginning of the school year for the school partners.

12 (7) A list of clear objectives and measurable goals that
13 the proposed school-to-work program will seek to achieve.

14 (8) Documentation of an agreement among the program
15 partners describing the role of each program partner within
16 the proposed school-to-work program and the expectations that
17 each program partner agrees to fulfill.

18 (c) Approval process.--

19 (1) The department, in consultation with participating
20 agencies and the board as needed, shall approve school-to-
21 work programs for participation in CareerBound. When
22 determining how many new school-to-work programs to approve
23 annually, the department shall consider the following:

24 (i) Tax credit obligations to business partners for
25 school-to-work programs approved in prior years.

26 (ii) An estimate of the amount of tax credits that
27 will be approved under section 7 over the next four-year
28 period.

29 (iii) An estimate of the amount of financial support
30 from business partners and other sources for proposed

1 school-to-work programs.

2 (2) Priority shall be given to a proposed school-to-work
3 program demonstrating one or more of the following
4 characteristics:

5 (i) Substantial program integration across
6 educational levels, including use of multiple curricula
7 components listed in section 4(a).

8 (ii) An ability to leverage other funding and
9 programming resources.

10 (iii) A commitment from a business partner to
11 provide preferred interviews to students completing the
12 school-to-work program.

13 (3) Additional consideration shall be given to a
14 proposed school-to-work program that:

15 (i) includes multiple business partners or multiple
16 school partners;

17 (ii) targets middle school or early high school
18 students for early exposure activities; or

19 (iii) is integrated into a school partner's
20 curriculum as a credit course.

21 (d) Contractual relationship.--Within 30 days of the
22 completion of the approval process, the department shall enter
23 into a contract with all local workforce development boards that
24 submitted an application that was approved. The contract shall
25 require the signatories to provide the services described in the
26 approved school-to-work program from funds designated for this
27 purpose in the application or from funds identified by the
28 participating agencies for this purpose under the general
29 appropriation act.

30 (e) Termination.--The department, in consultation with

1 participating agencies and the board as needed, may terminate a
2 school-to-work program for failure to comply with program
3 requirements.

4 (f) Expiration of CareerBound Tax Credit support.--A school-
5 to-work program shall not be eligible for support from the
6 CareerBound Tax Credit Program established under section 7 after
7 the end of the fourth school year of operation. The following
8 apply:

9 (1) Beginning with the fifth school year, the school
10 partners and business partners shall assume responsibility
11 for the funding of the school-to-work program.

12 (2) This subsection shall not be construed to prohibit a
13 school-to-work program from applying for or accepting Federal
14 or State grant funding or from receiving funding through the
15 local workforce development board, after the expiration of
16 CareerBound tax credit support.

17 Section 6. Operation.

18 (a) Cooperative management.--In collaboration with the
19 participating agencies and the board, the department shall:

20 (1) Manage the operation of CareerBound.

21 (2) Establish an application process.

22 (3) Enumerate outcome-based metrics by which school-to-
23 work programs will be evaluated in the reports under section
24 8.

25 (4) Institute guidelines and procedures as necessary to
26 implement CareerBound.

27 (b) Informational resources.--In collaboration with the
28 participating agencies and the board, the department shall
29 provide informational resources to help program partners conduct
30 successful school-to-work programs.

1 (c) Availability of tax credits.--The department shall
2 regularly consult with participating agencies to determine the
3 availability of tax credits for business partners when
4 determining how many new school-to-work programs to approve.

5 Section 7. CareerBound Tax Credit Program.

6 (a) Establishment.--The CareerBound Tax Credit Program is
7 established to encourage private investment in school-to-work
8 programs approved under section 5.

9 (b) Application and approval of tax credit.--

10 (1) A business partner or a taxpayer that contributes to
11 an approved school-to-work program may apply to the
12 Department of Community and Economic Development for a tax
13 credit under this act. The following apply:

14 (i) The application must be submitted to the
15 Department of Community and Economic Development for the
16 tax credit claimed for payments made in support of an
17 approved school-to-work program.

18 (ii) The application shall be due as follows:

19 (A) A business partner shall:

20 (I) Make an initial application within 60
21 days of signing the contract under section 5(d).

22 (II) Submit verification of payment no later
23 than March 1, after making a payment in support
24 of an approved school-to-work program during the
25 prior calendar year.

26 (B) A taxpayer that is not a business partner
27 shall apply no later than March 1, after making a
28 payment in support of an approved school-to-work
29 program during the prior calendar year.

30 (iii) The application must be on the form required

1 by the Department of Community and Economic Development,
2 which shall include the following:

3 (A) Information required by the Department of
4 Community and Economic Development to document the
5 amount of a payment made in support of an approved
6 school-to-work program.

7 (B) Information required by the Department of
8 Community and Economic Development to verify that the
9 applicant is a business partner or other taxpayer.

10 (C) The amount that a business partner has
11 contracted to pay in support of an approved school-
12 to-work program for each of the next four years, if
13 applicable.

14 (D) Any other information as the Department of
15 Community and Economic Development deems appropriate.

16 (2) The following apply to review and approval:

17 (i) The Department of Community and Economic
18 Development shall review each application and shall issue
19 an approval or disapproval within 60 days of receipt of
20 the application. The following apply:

21 (A) An approval or disapproval of an initial
22 application by a business partner shall be for each
23 of the years included in the four school years for
24 which the school-to-work program was approved.

25 (B) An approval or disapproval of an application
26 by a qualified taxpayer that is not a business
27 partner or a verification of payment by a business
28 partner shall be for the most recently ended calendar
29 year.

30 (ii) Upon approval of a tax credit for a payment to

1 an approved school-to-work program during the prior
2 calendar year, the Department of Community and Economic
3 Development shall notify the Department of Revenue to
4 issue a certificate to the qualified taxpayer for a
5 payment that is made during the prior calendar year. The
6 certificate shall state the amount of a tax credit
7 awarded to a qualified taxpayer under this act and the
8 procedure for the use of a tax credit awarded under this
9 act.

10 (iii) Except as provided in paragraph (3) (ii),
11 business partners making payments agreed to in the
12 contract under section 5(d) shall receive preference for
13 tax credits under this section.

14 (3) The following apply to the availability of tax
15 credits:

16 (i) Each fiscal year, the amount of \$10,000,000 in
17 tax credits shall be made available by the Department of
18 Community and Economic Development in accordance with
19 this act.

20 (ii) Twenty percent of the total amount of tax
21 credits under subparagraph (i) shall be reserved for
22 qualified taxpayers that are not business partners.

23 (iii) A portion of the total amount of tax credits
24 under subparagraph (i) shall be reserved for approved
25 business partners, based on the information required on
26 the initial application under paragraph (1) (iii) (C).

27 (iv) The amount of a tax credit awarded to a
28 qualified taxpayer under this act shall be as follows:

29 (A) For a qualified taxpayer that is a business
30 partner, the tax credit shall be equal to 90% of the

1 amount of the payment in support of an approved
2 school-to-work program during the prior calendar
3 year.

4 (B) For a qualified taxpayer that is not a
5 business partner, the tax credit shall be equal to
6 75% of the amount of the payment in support of an
7 approved school-to-work program during the prior
8 calendar year.

9 (C) Notwithstanding any other provision of this
10 act, the Department of Community and Economic
11 Development shall not award a qualified taxpayer a
12 total amount of tax credits that exceeds \$500,000.

13 (c) Use of tax credits.--

14 (1) Prior to sale or assignment of a tax credit under
15 subsection (e), a qualified taxpayer must first use a tax
16 credit against the qualified tax liability incurred in the
17 taxable year for which the tax credit was approved.

18 (2) The tax credit may be applied against up to 50% of
19 the qualified taxpayer's qualified tax liabilities incurred
20 in the taxable year for which the tax credit was approved.

21 (d) Carryover, carryback and refund.--A tax credit may not
22 be carried back, carried forward or used to obtain a refund.

23 (e) Sale or assignment.--

24 (1) If a qualified taxpayer holds a tax credit through
25 the end of the calendar year in which the tax credit was
26 granted, the qualified taxpayer may sell or assign the tax
27 credit, in whole or in part, if the sale is effective by the
28 close of the following calendar year.

29 (2) The following applies to an application:

30 (i) To sell or assign a tax credit, a qualified

1 taxpayer must file an application for the sale or
2 assignment of the tax credit with the Department of
3 Community and Economic Development. The application must
4 be on a form required by the Department of Community and
5 Economic Development.

6 (ii) To approve an application, the Department of
7 Community and Economic Development must receive a finding
8 from the Department of Revenue that the applicant has:

9 (A) Filed all required State tax reports and
10 returns for all applicable taxable years.

11 (B) Paid any balance of State tax due as
12 determined by assessment or determination by the
13 Department of Community and Economic Development and
14 not under timely appeal.

15 (iii) Upon approval by the Department of Community
16 and Economic Development, a qualified taxpayer may sell
17 or assign, in whole or in part, a tax credit.

18 (f) Purchasers and assignees.--

19 (1) A purchaser or assignee of a tax credit under
20 subsection (e) must claim the tax credit in the calendar year
21 in which the purchase or assignment is made.

22 (2) The amount of the tax credit that a purchaser or
23 assignee under subsection (e) may use against any one
24 qualified tax liability may not exceed 50% of any of the
25 qualified tax liabilities of the purchaser or assignee for
26 the taxable year.

27 (g) Resale and assignment.--

28 (1) A purchaser under subsection (e) may not sell or
29 assign the purchased tax credit.

30 (2) An assignee under subsection (e) may not sell or

1 assign the assigned tax credit.

2 (h) Notice.--The purchaser or assignee under subsection (e)
3 shall notify the Department of Community and Economic
4 Development of the seller or assignor of the tax credit in
5 compliance with procedures specified by the Department of
6 Community and Economic Development.

7 (i) Pass-through entity.--

8 (1) If a pass-through entity has an unused tax credit,
9 the pass-through entity may elect, in writing, according to
10 procedures established by the Department of Community and
11 Economic Development, to transfer all or a portion of the tax
12 credit to shareholders, members or partners in proportion to
13 the share of the entity's distributive income to which the
14 shareholders, members or partners are entitled.

15 (2) The same unused tax credit under subsection (e) may
16 not be claimed by:

17 (i) the pass-through entity; and

18 (ii) a shareholder, member or partner of the pass-
19 through entity.

20 (3) The amount of the tax credit that a transferee under
21 paragraph (1) may use against any one qualified tax liability
22 may not exceed 20% of any qualified tax liabilities for the
23 taxable year.

24 (4) A transferee under paragraph (1) must claim the tax
25 credit in the calendar year in which the transfer is made.

26 (5) A transferee under paragraph (1) may not sell or
27 assign the tax credit.

28 (j) Administration.--The Department of Community and
29 Economic Development shall develop written guidelines for the
30 implementation of this section.

1 Section 8. Annual reports.

2 (a) Requirement.--Within 60 days of the end of a school year
3 in which a school-to-work program is in operation, the
4 department, participating agencies and the board shall jointly
5 submit a report regarding the implementation of CareerBound and
6 the school-to-work programs over the previous school year.

7 (b) Submittal.--Each annual report under this section shall
8 be submitted to:

9 (1) The Governor.

10 (2) The Auditor General.

11 (3) The chairperson and minority chairperson of the
12 Appropriations Committee of the Senate.

13 (4) The chairperson and minority chairperson of the
14 Appropriations Committee of the House of Representatives.

15 (5) The chairperson and minority chairperson of the
16 Education Committee of the Senate.

17 (6) The chairperson and minority chairperson of the
18 Education Committee of the House of Representatives.

19 (7) The chairperson and minority chairperson of the
20 Labor and Industry Committee of the Senate.

21 (8) The chairperson and minority chairperson of the
22 Labor and Industry Committee of the House of Representatives.

23 (c) Contents.--In addition to information or analysis
24 required by the department, in consultation with participating
25 agencies and the board as needed, each annual report under this
26 section must:

27 (1) Include information about each school-to-work
28 program, including whether each school-to-work program
29 achieved the clear objectives and measurable goals proposed
30 under section 5(b)(7), an analysis of each school-to-work

1 program according to the outcome-based metrics enumerated by
2 the department in section 6(a)(3), the number of
3 participating students and the amount spent.

4 (2) Identify best practices observed from among the most
5 successful school-to-work programs.

6 (3) Include the names of the qualified taxpayers
7 utilizing the tax credit as of the date of the report and the
8 amount of tax credits approved for, utilized by or sold or
9 assigned by a qualified taxpayer.

10 Section 9. Effective date.

11 This act shall take effect in one year.