

FEB 26 1998  
APPROPRIATIONS

HOUSE FILE 2459  
BY COMMITTEE ON ECONOMIC  
DEVELOPMENT

(SUCCESSOR TO HF 2110)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the creation of a certified school to career  
2 program, providing refunds for certain wages paid to and  
3 amounts held in trust for individuals in the program, making  
4 an appropriation and including an effective and applicability  
5 date provision.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2459

1 Section 1. NEW SECTION. 15.361 TITLE.

2 This part shall be known and may be cited as the "Certified  
3 School to Career Program".

4 Sec. 2. NEW SECTION. 15.362 DEFINITIONS.

5 As used in this part, unless the context otherwise  
6 requires:

7 1. "Certified school to career program" or "certified  
8 program" means a secondary and postsecondary program  
9 registered as an apprenticeship program under 29 C.F.R.

10 subtit. A, pt. 29, which is conducted pursuant to an agreement  
11 as provided in section 15.364 or a program certified by the  
12 state board of education, in conjunction with the department  
13 of economic development, as meeting the standards enumerated  
14 in section 15.363, that integrates a secondary school  
15 curriculum with private sector job training which places  
16 students in job internships, and which is designed to continue  
17 into postsecondary education and that will result in teaching  
18 new skills and adding value to the wage-earning potential of  
19 participants and increase their long-term employability in the  
20 state and which is conducted pursuant to an agreement as  
21 provided in section 15.364.

22 2. "Participant" means an individual between the ages of  
23 sixteen and twenty-four who is enrolled in a public or private  
24 secondary or postsecondary school and who initiated  
25 participation in a certified school to career program as part  
26 of secondary school education.

27 3. "Payroll expenditures" means the base wages actually  
28 paid by an employer to a participant plus the amount held in  
29 trust to be applied toward the participant's postsecondary  
30 education.

31 4. "Sponsor" means any person, association, committee, or  
32 organization operating a school to career program and in whose  
33 name the program is or will be registered or certified.

34 Sec. 3. NEW SECTION. 15.363 CERTIFICATION STANDARDS.

35 The state board of education, in consultation with the

1 department of economic development, shall adopt rules pursuant  
2 to chapter 17A to guide the board and department in  
3 determining whether a potential school to career program  
4 should be certified.

5 A school to career program which is certified by the state  
6 board of education in conjunction with the department of  
7 economic development shall comply with all of the following  
8 standards:

9 1. The program is conducted pursuant to an organized,  
10 written plan embodying the terms and conditions of employment,  
11 job training, classroom instruction, and supervision of one or  
12 more participants, subscribed to by a sponsor who has  
13 undertaken to carry out the school to career program.

14 2. The program complies with all state and federal laws  
15 pertaining to the workplace.

16 3. The employer agrees to assign an employee to serve as a  
17 mentor for a participant. The mentor's occupation shall be in  
18 the same career pathway as the career interests of the  
19 participant.

20 4. Other standards adopted by rule by the state board of  
21 education after consultation with the department of economic  
22 development.

23 Sec. 4. NEW SECTION. 15.364 CERTIFIED PROGRAM AGREEMENT.

24 The certified program shall be conducted pursuant to a  
25 signed written agreement between each participant and the  
26 employer which contains at least the following provisions:

27 1. The names and signatures of the participant and the  
28 sponsor or employer and the signature of a parent or guardian  
29 if the participant is a minor.

30 2. A description of the career field in which the  
31 participant is to be trained, and the beginning date and  
32 duration of the training.

33 3. The employer's agreement to provide paid employment, at  
34 a base wage, for the participant during the summer months  
35 after the participant's junior and senior years in high school

1 and after the participant's first year of postsecondary  
2 education.

3 4. The participant and employer shall agree upon set  
4 minimum academic standards which must be maintained through  
5 the participant's secondary and postsecondary education.

6 5. This base wage paid to the participant shall not be  
7 less than the minimum wage prescribed by Iowa law or the  
8 federal Fair Labor Standards Act, whichever is applicable.

9 6. That in addition to the base wage paid to the  
10 participant, the employer shall pay an additional sum to be  
11 held in trust to be applied toward the participant's  
12 postsecondary education required for completion of the  
13 certified program. The additional amount must be not less  
14 than an amount determined by the department of economic  
15 development to be sufficient to provide payment of tuition  
16 expenses toward completion of not more than two academic years  
17 of the required postsecondary education component of the  
18 certified program at an Iowa community college or an Iowa  
19 public or private college or university. This amount shall be  
20 held in trust for the benefit of the participant pursuant to  
21 rules adopted by the department of economic development.  
22 Payment into an ERISA-approved fund for the benefit of the  
23 participant shall satisfy this requirement. The specific fund  
24 shall be specified in the agreement.

25 7. The participant's agreement to work for the employer  
26 for at least two years following the completion of the  
27 participant's postsecondary education required by the  
28 certified program. However, the agreement may provide for  
29 additional education and work commitments beyond the two  
30 years.

31 8. If the participant does not complete the two-year  
32 employment obligation, the participant's agreement to repay to  
33 the employer the amount paid by the employer toward the  
34 participant's postsecondary education expenses pursuant to  
35 subsection 6.

1 9. That if a participant does not complete the certified  
2 program contemplated by the agreement, any unexpended funds  
3 being held in trust for the participant's postsecondary  
4 education shall be paid back to the employer. In addition the  
5 participant must repay to the employer amounts paid from the  
6 trust which were expended on the participant's behalf for  
7 postsecondary education.

8 Sec. 5. NEW SECTION. 15.365 PAYROLL EXPENDITURE REFUND.

9 1. An employer who employs a participant in a certified  
10 school to career program may claim a refund of twenty percent  
11 of the employer's payroll expenditures for each participant in  
12 the certified program. The refund is limited to the first  
13 four hundred hours of payroll expenditures per participant for  
14 each calendar year the participant is in the certified  
15 program, not to exceed three years per participant.

16 2. To receive a refund under subsection 1 for a calendar  
17 year, the employer shall file the claim by July 1 of the  
18 following calendar year. The claim shall be filed on forms  
19 provided by the department of economic development and the  
20 employer shall provide such information regarding the  
21 employer's participation in a certified school to career  
22 program as the department may require. Forms should be  
23 designed such that claims for refunds for more than one  
24 participant may be made on a single form. A valid claim shall  
25 be paid with interest, the interest to begin to accrue on the  
26 first day of the second calendar month following the date the  
27 claim for refund was to be filed or was filed, whichever is  
28 the latest, at the rate in effect under section 421.7 counting  
29 each fraction of a month as an entire month under rules  
30 prescribed by the department.

31 3. For the fiscal year beginning July 1, 2000, and for  
32 each subsequent fiscal year, there is appropriated annually  
33 from the general fund of the state to the department of  
34 economic development an amount sufficient to pay refunds under  
35 this section.

1 4. The department of economic development shall consult  
2 with the department of revenue and finance for purposes of  
3 this section. The department of economic development shall  
4 adopt rules as deemed necessary to carry out the purposes of  
5 the certified school to career program.

6 Sec. 6. EFFECTIVE AND APPLICABILITY DATES. This Act,  
7 being deemed of immediate importance, takes effect upon  
8 enactment, and applies retroactively to all calendar years  
9 ending after the date of enactment.

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## EXPLANATION

11 The bill establishes a certified school to career program  
12 within the department of economic development to provide  
13 incentives to employers to hire individuals between ages 16  
14 through 24. The program is designed to enable individuals to  
15 learn new skills through employment, job training, and  
16 classroom instruction by being employed during the summer  
17 months after their junior and senior years in high school and  
18 after their first year of postsecondary education. The  
19 employer pays the individual a base wage with an additional  
20 amount being deposited into a special account to be used to  
21 pay the tuition costs for the individual's postsecondary  
22 education. The incentive for the employer is a refund of 20  
23 percent of the wages actually paid by the employer to the  
24 individual for up to 400 hours per calendar year plus the  
25 additional amount deposited into the special account for the  
26 individual's postsecondary education for the first three years  
27 the individual is in the program. The refund is paid from a  
28 standing appropriation made from the state general fund to the  
29 department of economic development. The appropriation begins  
30 with fiscal year 2000-2001. The individual must agree to work  
31 for the employer for at least two years following completion  
32 of postsecondary education. If the individual fails to do so,  
33 or fails to complete the postsecondary education required, the  
34 individual must repay any moneys that the employer paid for  
35 the individual's postsecondary education expenses.

1 The bill takes effect upon enactment and applies beginning  
2 with the 1998 calendar year.

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