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APR 3 1998

APPROPRIATIONS CALENDAR

HOUSE FILE 2548
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 2459)

(SUCCESSOR TO HF 2110)

Passed House, ^(P.1405) Date 4-8-98

Passed Senate, Date _____

Vote: Ayes 95 Nays 2

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, providing for the program's repeal, and
5 including an effective and applicability date provision.

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

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HF 2548

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 each fiscal year of the fiscal period beginning
32 July 1, 2000, and ending June 30, 2005, there is appropriated
33 up to five hundred thousand dollars annually from the general
34 fund of the state to the department of economic development to
35 pay refunds under 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. NEW SECTION. 15.366 REPEAL.

7 This part of chapter 15 is repealed June 30, 2005.

8 However, any contracts in existence on June 30, 2005, shall
9 continue to be valid and each party to such contract is
10 obligated to perform as required under such contract.
11 However, no employer is entitled to any payroll expenditure
12 refund for payroll expenditures incurred after December 31,
13 2003.

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

18 EXPLANATION

19 The bill establishes a certified school to career program
20 within the department of economic development to provide
21 incentives to employers to hire individuals between ages 16
22 through 24. The program is designed to enable individuals to
23 learn new skills through employment, job training, and
24 classroom instruction by being employed during the summer
25 months after their junior and senior years in high school and
26 after their first year of postsecondary education. The
27 employer pays the individual a base wage with an additional
28 amount being deposited into a special account to be used to
29 pay the tuition costs for the individual's postsecondary
30 education. The incentive for the employer is a refund of 20
31 percent of the wages actually paid by the employer to the
32 individual for up to 400 hours per calendar year plus the
33 additional amount deposited into the special account for the
34 individual's postsecondary education for the first three years
35 the individual is in the program. The refund is paid from an

1 annual \$500,000 standing appropriation made from the state
2 general fund to the department of economic development. The
3 appropriation begins with fiscal year 2000-2001 and ends with
4 the fiscal year 2004-2005. The individual must agree to work
5 for the employer for at least two years following completion
6 of postsecondary education. If the individual fails to do so,
7 or fails to complete the postsecondary education required, the
8 individual must repay any moneys that the employer paid for
9 the individual's postsecondary education expenses. The
10 program is repealed June 30, 2005, but all contracts still in
11 existence will continue to be valid.

12 The bill takes effect upon enactment and applies beginning
13 with the 1998 calendar year.

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HOUSE FILE 2548

H-8991

- 1 Amend House File 2548 as follows:
2 1. Page 1, line 8, by inserting before the word
3 "secondary" the following: "sequenced and
4 articulated".
5 2. Page 1, line 11, by striking the word
6 "certified" and inserting the following: "approved".
7 3. Page 1, line 33, by striking the word
8 "certified" and inserting the following: "approved".
9 4. Page 2, line 4, by striking the word
10 "certified" and inserting the following: "approved".
11 5. Page 2, line 5, by striking the word
12 "certified" and inserting the following: "approved".
13 6. Page 2, by inserting after line 19 the
14 following:
15 "____. The program involves an eligible
16 postsecondary institution as defined in section
17 261C.3."
18 7. Page 4, by striking lines 24 through 30 and
19 inserting the following: "participant may be made on
20 a single form."
21 8. Page 4, line 32, by striking the words and
22 figures "2000, and ending June 30, 2005" and inserting
23 the following: "1999, and ending June 30, 2004".
24 9. Page 4, line 35, by inserting after the word
25 "section." the following: "If the amount appropriated
26 in a fiscal year is insufficient to pay all refund
27 claims for the calendar year in full, each claimant
28 shall receive a proportion of the claimant's refund
29 claim equal to the ratio of the amount appropriated to
30 the total amount of refund claims. Any unpaid portion
31 of a claim shall not be paid from a subsequent fiscal
32 year appropriation."
33 10. Page 5, line 7, by striking the figure "2005"
34 and inserting the following: "2004".
35 11. Page 5, line 8, by striking the figure "2005"
36 and inserting the following: "2004".
37 12. Page 5, line 13, by striking the figure
38 "2003" and inserting the following: "2002".
39 13. Page 5, line 14, by striking the words "AND
40 APPLICABILITY DATES" and inserting the following:
41 "DATE".
42 14. Page 5, by striking lines 16 and 17 and
43 inserting the following: "enactment."
44 15. Title page, line 5, by striking the words
45 "and applicability".

By HEATON of Henry

H-8991 FILED APRIL 7, 1998

Adopted
4-8-98
(p. 1405)

S. 4/8/98 approved,
S. 4/16/98 Do Pass

HOUSE FILE **2548**
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 2459)
(SUCCESSOR TO HF 2110)

(As Amended and Passed by the House, April 8, 1998)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

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New Language _____

Deleted Language *

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11 to an agreement as provided in section 15.364 or a program
12 approved by the state board of education, in conjunction with
13 the department of economic development, as meeting the
14 standards enumerated in section 15.363, that integrates a
15 secondary school curriculum with private sector job training
16 which places students in job internships, and which is
17 designed to continue into postsecondary education and that
18 will result in teaching new skills and adding value to the
19 wage-earning potential of participants and increase their
20 long-term employability in the state and which is conducted
21 pursuant to an agreement as 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
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17 mentor for a participant. The mentor's occupation shall be in
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20 4. The program involves an eligible postsecondary
21 institution as defined in section 261C.3.

22 5. Other standards adopted by rule by the state board of
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15 certified program. The additional amount must be not less
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17 development to be sufficient to provide payment of tuition
18 expenses toward completion of not more than two academic years
19 of the required postsecondary education component of the
20 certified program at an Iowa community college or an Iowa
21 public or private college or university. This amount shall be
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24 Payment into an ERISA-approved fund for the benefit of the
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30 certified program. However, the agreement may provide for
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34 employment obligation, the participant's agreement to repay to
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4 program contemplated by the agreement, any unexpended funds
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17 program, not to exceed three years per participant.

18 2. To receive a refund under subsection 1 for a calendar
19 year, the employer shall file the claim by July 1 of the
20 following calendar year. The claim shall be filed on forms
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22 employer shall provide such information regarding the
23 employer's participation in a certified school to career
24 program as the department may require. Forms should be
25 designed such that claims for refunds for more than one
26 participant may be made on a single form.

27 3. For each fiscal year of the fiscal period beginning
28 July 1, 1999, and ending June 30, 2004, there is appropriated
29 up to five hundred thousand dollars annually from the general
30 fund of the state to the department of economic development to
31 pay refunds under this section. If the amount appropriated in
32 a fiscal year is insufficient to pay all refund claims for the
33 calendar year in full, each claimant shall receive a
34 proportion of the claimant's refund claim equal to the ratio
35 of the amount appropriated to the total amount of refund

1 claims. Any unpaid portion of a claim shall not be paid from
2 a subsequent fiscal year appropriation.

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

8 Sec. 6. NEW SECTION. 15.366 REPEAL.

9 This part of chapter 15 is repealed June 30, 2004.

10 However, any contracts in existence on June 30, 2004, shall
11 continue to be valid and each party to such contract is
12 obligated to perform as required under such contract.

13 However, no employer is entitled to any payroll expenditure
14 refund for payroll expenditures incurred after December 31,
15 2002.

16 Sec. 7. EFFECTIVE DATE. This Act, being deemed of
17 immediate importance, takes effect upon enactment.

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