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SMALL BUS., ECON. DEV. & TOUR.

SENATE FILE **2251**

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FINK, and BLACK of Jasper

Passed Senate, Date _____ Passed House, 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,
4 requiring that certain wages and benefits be provided, making
5 an appropriation, and including an effective and applicability
6 date provision.

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

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S.F. 2251

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. "Payroll expenditures" means the base wages actually
23 paid by an employer to a participant plus the amount held in
24 trust to be applied toward the participant's postsecondary
25 education.

26 3. "Participant" means an individual between the ages of
27 sixteen and twenty-four who is enrolled in a public or private
28 secondary or postsecondary school and who initiated
29 participation in a certified school to career program as part
30 of secondary school 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 A school to career program which is certified by the state

1 board of education in conjunction with the department of
2 economic development shall comply with all of the following
3 standards:

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

9 2. The program complies with all state and federal laws
10 pertaining to the workplace.

11 3. The employer agrees to assign an employee to serve as a
12 mentor for the participant.

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

14 The certified program shall be conducted pursuant to a
15 signed written agreement between each participant and the
16 employer and contains at least the following provisions:

17 1. The names and signatures of the participant and the
18 sponsor or employer and the signature of a parent or guardian
19 if the participant is a minor.

20 2. A description of the career field in which the
21 participant is to be trained, and the beginning date and
22 duration of the training.

23 3. The employer's agreement to provide paid employment, at
24 a base wage, for the participant during the summer months
25 after the participant's junior and senior years in high school
26 and after the participant's first year of postsecondary
27 education.

28 4. This base wage paid to the participant shall not be
29 less than the minimum wage prescribed by Iowa law or the
30 federal Fair Labor Standards Act, whichever is applicable.

31 5. That in addition to the base wage paid to the
32 participant, the employer shall pay an additional sum to be
33 held in trust to be applied toward the participant's
34 postsecondary education required for completion of the
35 certified program. The additional amount must be not less

1 than an amount determined by the department of economic
2 development to be sufficient to provide payment of tuition
3 expenses toward completion of not more than two academic years
4 of the required postsecondary education component of the
5 certified program at an Iowa community college or a public or
6 private college or university. This amount shall be held in
7 trust for the benefit of the participant pursuant to rules
8 promulgated by the department of economic development.
9 Payment into an ERISA-approved fund for the benefit of the
10 participant shall satisfy this requirement. The specific fund
11 shall be specified in the agreement.

12 6. The participant's agreement to work for the employer
13 for at least two years following the completion of the
14 participant's postsecondary education required by the
15 certified program and the employer's agreement to both of the
16 following:

17 a. To provide and pay at least eighty percent of the cost
18 of a standard medical and dental insurance plan for the
19 participant.

20 b. To pay a full-time hourly wage to the participant of at
21 least eleven dollars per hour indexed to 1998 dollars based on
22 the gross national product implicit price deflator published
23 by the bureau of economic analysis of the United States
24 department of commerce or one hundred thirty percent of the
25 average wage in the county in which the facility where the
26 participant will be employed is located, whichever is higher.

27 However, the agreement may provide for additional education
28 and work commitments beyond the two years.

29 7. If the participant does not complete the two-year
30 employment obligation, the participant's agreement to repay to
31 the employer the amount paid by the employer toward the
32 participant's postsecondary education expenses pursuant to
33 subsection 5.

34 8. That if a participant does not complete the certified
35 program contemplated by the agreement, any unexpended funds

1 being held in trust for the participant's postsecondary
2 education shall be paid back to the employer. In addition the
3 participant must repay to the employer amounts paid from the
4 trust which were expended on the participant's behalf for
5 postsecondary education.

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

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

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

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

34 4. The department of economic development shall consult
35 with the department of revenue and finance for purposes of

1 this section. The department of economic development shall
2 adopt rules as deemed necessary to carry out the purposes of
3 the certified school to career program.

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

8 EXPLANATION

9 The bill establishes a certified school to career program
10 within the department of economic development to provide
11 incentives to employers to hire individuals between ages 16
12 through 24. The program is designed to enable individuals to
13 learn new skills through employment, job training, and
14 classroom instruction by being employed during the summer
15 months after their junior and senior years in high school and
16 after their first year of postsecondary education. The
17 employer pays the individual a base wage with an additional
18 amount being deposited into a special account to be used to
19 pay the tuition costs for the individual's postsecondary
20 education. The incentive for the employer is a refund of the
21 wages actually paid by the employer to the individual for up
22 to 400 hours per calendar year plus the additional amount
23 deposited into the special account for the individual's
24 postsecondary education for the first three years the
25 individual is in the program. The refund is paid from a
26 standing appropriation made from the state general fund to the
27 department of economic development. The appropriation begins
28 with fiscal year 2000-2001. The individual must agree to work
29 for the employer for at least two years following completion
30 of postsecondary education. The employer agrees to pay the
31 greater of an hourly wage of \$11 or 130 percent of the average
32 wage in the county where the individual is employed. In
33 addition, the employer agrees to provide and pay for at least
34 80 percent of the cost of standard medical and dental
35 insurance for the participant. If the individual fails to do

1 so, or fails to complete the postsecondary education required,
2 the individual must repay any moneys that the employer paid
3 for the individual's postsecondary education expenses.

4 The bill takes effect upon enactment and applies beginning
5 with the 1998 calendar year.

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