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SENATE FILE 135

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Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act authorizing the establishment of an accelerated career  
2 education program and providing a tax credit from withholding.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 135  
BUSINESS & LABOR

1 Section 1. NEW SECTION. 260G.1 TITLE.

2 This chapter shall be known and may be cited as the  
3 "Accelerated Career Education Program Act".

4 Sec. 2. NEW SECTION. 260G.2 DEFINITIONS.

5 When used in this chapter, unless the context otherwise  
6 requires:

7 1. "Accelerated career education program" means the a  
8 program established pursuant to section 260G.4.

9 2. "Agreement" means a program agreement referred to in  
10 section 260G.4 between an employer and a community college.

11 3. "Board of directors" means the board of directors of a  
12 community college.

13 4. "Community college" means a community college  
14 established under chapter 260C or a consortium of two or more  
15 community colleges.

16 5. "Employee" means a person employed in a program job.

17 6. "Employer" means a business or consortium of similar  
18 businesses engaged in interstate or intrastate commerce for  
19 the purpose of manufacturing, processing, or assembling  
20 products, commercial construction, conducting research and  
21 development, or providing services in interstate commerce, but  
22 excludes retail or any professional services except health  
23 care services.

24 7. "Highly skilled job" means a job with a broadly based,  
25 high performance skill profile including advanced computation  
26 and communication skills, technology skills, and workplace  
27 behavior skills, and for which an applied technical education  
28 is required.

29 8. "Participant" means an individual who is enrolled in an  
30 accelerated career education program at a community college.

31 9. "Participant position" means the individual student  
32 enrollment position available in an accelerated career  
33 education program.

34 10. "Program capital costs" includes, but is not limited  
35 to, costs related to any or all of the following:

- 1 a. Classroom and laboratory renovation.
- 2 b. New classroom and laboratory construction.
- 3 c. Site acquisition or preparation.
- 4 d. Instructional equipment and technology.
- 5 11. "Program costs" means all necessary and incidental
- 6 costs of providing program services.
- 7 12. "Program job" means a highly skilled job available
- 8 from an employer pursuant to a program agreement.
- 9 13. "Program job credit" means the credit as provided in
- 10 section 260G.5.
- 11 14. "Program job position" means a job position which is
- 12 planned or available for an employee by the employer pursuant
- 13 to a program agreement.
- 14 15. "Program services" includes, but is not limited to,
- 15 all of the following provided they are pursuant to a program
- 16 agreement:
  - 17 a. Program needs assessment and development.
  - 18 b. Job task analysis.
  - 19 c. Curriculum development and revision.
  - 20 d. Instruction.
  - 21 e. Instructional materials and supplies.
  - 22 f. Computer software and upgrades.
  - 23 g. Instructional support.
  - 24 h. Administrative and student services.
  - 25 i. Related school to career training programs.
  - 26 j. Skill assessment services and testing.
  - 27 k. Contracted services.

28 Sec. 3. NEW SECTION. 260G.3 PROGRAM AGREEMENTS.

29 1. A community college may enter into an agreement with an  
30 employer in the community college's merged area to establish  
31 an accelerated career education program. The agreement may  
32 include reasonable and necessary provisions to implement the  
33 accelerated career education program. If an agreement is  
34 entered into, the community college and the employer shall  
35 notify the department of revenue and finance as soon as

1 possible. The community college shall also file a copy of the  
2 agreement with the department of economic development as  
3 required in section 260G.7. The agreement shall provide for  
4 program costs, including deferred costs, which may be paid  
5 from any of the following sources:

6 a. Program job credits which the employer receives based  
7 on the number of program job positions agreed to by the  
8 employer to be available under an agreement.

9 b. Cash or in-kind contributions by the employer toward  
10 the program cost.

11 c. Tuition, student fees, or special charges fixed by the  
12 board of directors to defray program costs.

13 d. Guarantee by the employer of payments to be received  
14 under paragraphs "a" and "b".

15 2. An agreement shall include a provision which specifies  
16 the type and amount of funding sources which shall be used to  
17 pay for program costs.

18 3. An agreement shall describe program services and  
19 schedules for implementation.

20 4. The term of an agreement shall not exceed five years  
21 from the date of the agreement. However, the agreement may be  
22 renewed.

23 5. As part of the agreement, the employer shall agree to  
24 interview graduating participants for full-time positions with  
25 the employer and to provide future hiring preferences to  
26 graduates of the accelerated career education program provided  
27 for in the agreement.

28 6. Participants shall agree to interview with the employer  
29 following completion of the accelerated career education  
30 program.

31 Sec. 4. NEW SECTION. 260G.4 PROGRAM ELIGIBILITY AND  
32 DESIGNATION.

33 1. Any of the following community college programs are  
34 eligible for designation and approval as an accelerated career  
35 education program by the board of directors:

1 a. A credit career, vocational, or technical education  
2 program resulting in the conferring of a certificate, diploma,  
3 associate of science degree, or associate of applied science  
4 degree, which increases program capacity to enroll added  
5 participants.

6 b. A credit equivalent career, vocational, or technical  
7 educational program consisting of not less than five hundred  
8 forty contact hours of classroom and laboratory instruction  
9 and resulting in the conferring of a certificate or other  
10 recognized, competency-based credential, which increases  
11 program capacity to enroll added participants.

12 2. Program costs shall be calculated or recalculated on an  
13 annual basis based on the required program services and for a  
14 specific number of participant positions.

15 Sec. 5. NEW SECTION. 260G.5 PROGRAM JOB CREDITS FROM  
16 WITHHOLDING.

17 In order to develop and retain program jobs within the  
18 state, an agreement entered into under section 260G.4 may  
19 include a provision for program job credits based on program  
20 jobs identified in the agreement. If a program provides that  
21 part of the program costs are to be met by receipt of program  
22 job credits, the method to be used shall be as follows:

23 1. Program job credits shall be based upon the program job  
24 positions identified and agreed to in the agreement.

25 2. Eligibility for program job credits shall be based on  
26 certification of program job positions and program job wages  
27 by the employer at the time established in the agreement. An  
28 amount up to twelve percent of the gross program job wage as  
29 certified by the employer in the agreement shall be credited  
30 from the total payment made by an employer pursuant to section  
31 422.16. The employer shall receive a credit against all  
32 withholding taxes due by the employer regardless of whether or  
33 not the withholding by the employer of current program job  
34 wages is less than twelve percent. The employer shall remit  
35 the amount of the credit quarterly in the same manner as

1 withholding payments are reported to the department of revenue  
2 and finance, to the community college to be allocated to and  
3 when collected paid into a special fund of the community  
4 college to pay, in part, the program costs. When the program  
5 costs have been paid, the employer credits shall cease and any  
6 moneys received after the program costs have been paid shall  
7 be remitted to the treasurer of state to be deposited in the  
8 general fund of the state.

9 3. The employer shall certify to the department of revenue  
10 and finance that the program job credit is in accordance with  
11 the agreement and shall provide other information the  
12 department may require.

13 4. A community college shall certify to the department of  
14 revenue and finance that the amount of the program job credit  
15 is in accordance with an agreement and shall provide other  
16 information the department may require.

17 5. Employees from an employer participating in an  
18 agreement shall receive full credit for the amount withheld as  
19 provided in section 422.16.

20 Sec. 6. NEW SECTION. 260G.6 MAXIMUM STATEWIDE PROGRAM  
21 JOB CREDIT.

22 The total amount of program job credits from all employers  
23 which shall be allocated for all accelerated career education  
24 programs in the state in any one fiscal year shall not exceed  
25 the sum of thirty-three million dollars. A community college  
26 shall file a copy of each agreement with the department of  
27 economic development. The department shall maintain an annual  
28 record of the proposed program job credits under each  
29 agreement for each fiscal year. Upon receiving a copy of an  
30 agreement, the department shall allocate any available amount  
31 of program job credits to the community college according to  
32 the agreement sufficient for the fiscal year and for the term  
33 of the agreement. When the total available program job  
34 credits are allocated for a fiscal year, the department shall  
35 notify all community colleges that the maximum amount has been

1 allocated and that further program job credits will not be  
2 available for the remainder of the fiscal year. Once program  
3 job credits have been allocated to a community college, the  
4 full allocation shall be received by the community college  
5 throughout the fiscal year and for the term of the agreement  
6 even if the statewide program job credit maximum amount is  
7 subsequently allocated and used.

8 Sec. 7. NEW SECTION. 260G.7 FACILITATOR.

9 The department of economic development shall administer the  
10 statewide allocations of program job credits to accelerated  
11 career education programs. The department shall collect data  
12 related to the programs and prepare an annual report regarding  
13 the activities of the programs during the previous fiscal  
14 year. The report shall be submitted to the governor and the  
15 general assembly by December 31 of each year.

16 Sec. 8. NEW SECTION. 260G.8 CUSTOMER TRACKING SYSTEM.

17 All participants in an accelerated career education program  
18 shall be included in the customer tracking system implemented  
19 by the department of workforce development pursuant to section  
20 84A.5 following program completion.

21 Sec. 9. NEW SECTION. 260G.9 PROGRAM CAPITAL FUNDS  
22 ALLOCATION.

23 If moneys are appropriated by the general assembly to  
24 support program capital costs, the moneys shall be allocated  
25 on a first-come, first-served basis. In order to receive such  
26 moneys a program agreement approved by the community college  
27 board of directors must be in place, program capital cost  
28 requests shall be approved by the Iowa economic development  
29 board created in section 15.103, program capital cost requests  
30 shall be approved or denied not later than sixty days  
31 following receipt of the request by the department, and  
32 employer contributions toward program capital costs shall be  
33 certified and agreed to in the agreement.

34 EXPLANATION

35 This bill provides that a community college may enter into

1 an agreement with certain employers in the community college's  
2 merged area to establish an accelerated career education  
3 program. The bill provides that certain types of community  
4 college programs are eligible for designation as an  
5 accelerated career education program. The bill provides that,  
6 after entering the agreement, the department of revenue and  
7 finance and the department of economic development shall be  
8 notified of the agreement. The bill provides that the  
9 agreement shall specify the type and amount of funding sources  
10 which will be used to pay for the program costs. The bill  
11 provides that possible funding sources include tax credits  
12 from withholding, cash or in-kind contributions by the  
13 employer, and tuition, fees, or special charges fixed by the  
14 community college. The bill provides that as part of the  
15 agreement, the employer shall agree to interview graduating  
16 participants in the program and provide future hiring  
17 preferences. The bill provides that participants in the  
18 program shall agree to interview with the employer.

19 The bill provides that the method for using the tax credit  
20 from withholding, which is one option for paying for the  
21 program costs. The bill provides that an amount up to 12  
22 percent of the gross wages of the program jobs in an agreement  
23 shall be credited from the total payment made by the employer.  
24 The credit shall be against all withholding taxes due by the  
25 employer. The bill provides that the employer and community  
26 college must make certain certifications to the department of  
27 revenue and finance regarding how the credits are in  
28 accordance with the program agreement.

29 The bill provides that the total amount of tax credits from  
30 withholding which shall be allocated for statewide accelerated  
31 career education programs in any one fiscal year shall not  
32 exceed \$33 million. The bill provides that the department of  
33 economic development shall maintain an annual record of tax  
34 credits allocated and shall allocate any available credits to  
35 community colleges in accordance with any agreements. The



1 bill provides that once the maximum statewide amount has been  
2 allocated, the department shall notify all community colleges  
3 in the state of this fact and that further credits will not be  
4 allocated during the fiscal year.

5 The bill provides that the department of economic  
6 development shall collect data related to the programs and  
7 prepare an annual report regarding the activities of the  
8 programs for submission to the governor and the general  
9 assembly.

10 The bill provides that participants in the programs shall  
11 be included in the customer tracking system implemented by the  
12 department of workforce development.

13 The bill provides a method of allocation of moneys  
14 appropriated by the general assembly for program capital  
15 costs. The bill provides that the funding shall be on a  
16 first-come, first-served basis, that a program agreement must  
17 be in place, that the program capital cost requests must be  
18 approved by the Iowa economic development board within 60 days  
19 of the receipt of the request, and that employer contributions  
20 toward program capital costs shall be certified and agreed to  
21 in the agreement.

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