

MAR 14 2003
Place On Calendar

HOUSE FILE 564
BY COMMITTEE ON ECONOMIC GROWTH
Referred to Appropriations 3/19/03
(SUCCESSOR TO HSB 199)

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

A BILL FOR

1 An Act providing for an annual allocation of four million dollars
2 for accelerated career education programs.

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

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HF 564

1 Section 1. Section 260G.4B, subsection 1, Code 2003, is
2 amended to read as follows:

3 1. The total amount of program job credits from all
4 employers which shall be allocated for all accelerated career
5 education programs in the state in any one fiscal year shall
6 not exceed the sum of ~~three-million-dollars-in-the-fiscal-year~~
7 ~~beginning-July-1, 2000, three-million-dollars-in-the-fiscal~~
8 ~~year-beginning-July-1, 2001, three million dollars in the~~
9 fiscal year beginning July 1, 2002, and ~~six~~ four million
10 dollars in the fiscal year beginning July 1, 2003, and every
11 fiscal year thereafter. ~~Any-increase-in-program-job-credits~~
12 ~~above-the-six-million-dollar-limitation-per-fiscal-year-shall~~
13 ~~be-developed, based-on-recommendations-in-a-study-which-shall~~
14 ~~be-conducted-by-the-department-of-economic-development-of-the~~
15 ~~needs-and-performance-of-approved-programs-in-the-fiscal-years~~
16 ~~beginning-July-1, 2000, and-July-1, 2001.--The-study's~~
17 ~~findings-and-recommendations-shall-be-submitted-to-the-general~~
18 ~~assembly-by-the-department-by-December-31, 2002.--The-study~~
19 ~~shall-include-but-not-be-limited-to-an-examination-of-the~~
20 ~~quality-of-the-programs, the-number-of-program-participant~~
21 ~~placements, the-wages-and-benefits-in-program-jobs, the-level~~
22 ~~of-employer-contributions, the-size-of-participating~~
23 ~~employers, and-employer-locations.~~ A community college shall
24 file a copy of each agreement with the department of economic
25 development. The department shall maintain an annual record
26 of the proposed program job credits under each agreement for
27 each fiscal year. Upon receiving a copy of an agreement, the
28 department shall allocate any available amount of program job
29 credits to the community college according to the agreement
30 sufficient for the fiscal year and for the term of the
31 agreement. When the total available program job credits are
32 allocated for a fiscal year, the department shall notify all
33 community colleges that the maximum amount has been allocated
34 and that further program job credits will not be available for
35 the remainder of the fiscal year. Once program job credits

1 have been allocated to a community college, the full
2 allocation shall be received by the community college
3 throughout the fiscal year and for the term of the agreement
4 even if the statewide program job credit maximum amount is
5 subsequently allocated and used. The department shall submit
6 a report regarding utilization of the program job credits to
7 the members of the general assembly on a biennial basis, with
8 the first such report to be submitted by December 15, 2003.
9 The report shall include, but not be limited to, an
10 examination of the quality of the programs, the number of
11 program participant placements, the wages and benefits in
12 program jobs, the level of employer contributions, the size of
13 participating employers, and employer locations.

14 EXPLANATION

15 This bill provides that the total amount of program job
16 credits from all employers which shall be allocated for all
17 accelerated career education programs in the state in any one
18 fiscal year shall not exceed the sum of \$4 million in the
19 fiscal year beginning July 1, 2003, and every fiscal year
20 thereafter. The bill also deletes outdated language regarding
21 the conducting of a study by the department of economic
22 development regarding the needs and performance of approved
23 accelerated career education programs in the state.

24 The bill provides that the department shall submit a report
25 regarding utilization of the program job credits to the
26 members of the general assembly on a biennial basis.

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HF 564 - Accelerated Career Education Tax Credits (LSB 1658 HV)
Analyst: Russell Trimble (Phone: (515) 281-4613) (russ.trimble@legis.state.ia.us)
Fiscal Note Version — New

Description

House File 564 reduces the amount of job tax credits allowable under the Accelerated Career Education (ACE) Program from \$6.0 million to \$4.0 million for FY 2004 and each year thereafter.

Assumptions

The Revenue Estimating Conference has estimated the use of \$6.0 million for job tax credits for the Accelerated Career Education (ACE) Program for FY 2004. The Bill reduces this to \$4.0 million for FY 2004 and each year thereafter.

Fiscal Impact

House File 564 would result in a General Fund cost savings of \$2.0 million for FY 2004 compared to current law.

Source

Iowa Department of Revenue and Finance

/s/ Dennis C Prouty

March 18, 2003

Jenkins, Chr.
Lukan
D. Olson

Succeeded by HSB 199
SI 0564 ECONOMIC GROWTH
SENATE/HOUSE FILE _____
BY (PROPOSED GOVERNOR'S BILL)

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