

House Study Bill 754

SENATE/HOUSE FILE _____
BY (PROPOSED GOVERNOR'S BILL)

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

A BILL FOR

1 An Act establishing measures to increase Iowa's skilled workforce
2 and providing appropriations and an applicability date.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 5714XL 82
5 kh/nh/8

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1 1 Section 1. DEPARTMENT OF WORKFORCE DEVELOPMENT. There is
1 2 appropriated from the general fund of the state to the
1 3 department of workforce development for the fiscal year
1 4 beginning July 1, 2008, and ending June 30, 2009, the
1 5 following amounts, or so much thereof as is necessary, to be
1 6 used for the purposes designated:
1 7 1. STATEWIDE STANDARD SKILLS ASSESSMENT
1 8 For development and administration of a statewide standard
1 9 skills assessment to assess the employability skills of adult
1 10 workers statewide and to provide instruction to department
1 11 staff in the administration of the assessment in accordance
1 12 with section 84A.5, subsection 1, as amended by this Act, if
1 13 enacted:
1 14 \$ 500,000
1 15 2. INTEGRATED BASIC EDUCATION AND SKILLS TRAINING (I=BEST)
1 16 For purposes of conducting integrated basic education and
1 17 skills training demonstration projects with eligible community
1 18 colleges to bring English as a second language and adult basic
1 19 education instructors together with professional=technical
1 20 instructors in the same classroom to provide students with
1 21 contextualized remediation and English language services and
1 22 occupational training at the same time, including salaries,
1 23 support, maintenance, miscellaneous purposes, and for not more
1 24 than the following full=time equivalent position:
1 25 \$ 500,000
1 26 FTEs 1.00
1 27 The full=time equivalent position authorized in this
1 28 subsection is allocated for purposes of employing one
1 29 coordinator who, with the support of the department of
1 30 education and other interested agencies, awards grants to five
1 31 of Iowa's eligible community colleges in approved programs in
1 32 career tracks that assist in solving the workforce shortage.
1 33 3. OFFENDER REENTRY PROGRAM
1 34 For the development and administration of an offender
1 35 reentry program to provide offenders with employment skills,
2 1 and for not more than the following full=time equivalent
2 2 positions:
2 3 \$ 375,000
2 4 FTEs 2.00
2 5 The department shall partner with the department of
2 6 corrections to provide staff within the correctional
2 7 facilities to improve offenders' abilities to find and retain
2 8 productive employment.
2 9 4. WORKFORCE SHORTAGE RESEARCH
2 10 For the development of statewide vacancy surveys and a
2 11 workforce=needs assessment:
2 12 \$ 500,000
2 13 The department shall develop statewide vacancy surveys and
2 14 a workforce=needs assessment to identify the occupations that
2 15 will face the most severe workforce shortages, and to identify
2 16 the skills and preparation Iowans will need in order to be
2 17 ready to fill these positions.
2 18 Sec. 2. NEW SECTION. 12D.12 LIFELONG LEARNING ACCOUNTS
2 19 PROGRAM.
2 20 1. As used in this section and section 12D.13:

2 21 a. "Department" means the Iowa department of workforce
2 22 development.
2 23 b. "Employee" means an individual who works for an
2 24 employer on the average of twenty hours a week based on the
2 25 previous six months.
2 26 c. "Employer" means the same as defined in section 422.4.
2 27 2. The trust shall establish, in coordination with the
2 28 department, a lifelong learning accounts program to encourage
2 29 employees and employers to save for training and retraining
2 30 through the trust.

2 31 3. Employers and employees entering into an agreement with
2 32 the trust may designate the account established pursuant to
2 33 the agreement as a lifelong learning account.

2 34 4. The department shall document the process and outcomes
2 35 in the establishment of lifelong learning accounts, and
3 1 prepare a report thereon, to be submitted to the general
3 2 assembly twenty days prior to the convening of the regular
3 3 session biennially with the first report submitted prior to
3 4 the 2010 regular session.

3 5 5. The treasurer of state, after consultation with the
3 6 department, shall adopt rules necessary to effectively carry
3 7 out the provisions of this section.

3 8 Sec. 3. NEW SECTION. 12D.13 LIFELONG LEARNING ACCOUNT
3 9 TAX CREDIT.

3 10 1. An employer shall be entitled to a lifelong learning
3 11 account tax credit equal to fifty percent of the employer's
3 12 annual aggregate lifelong learning account contributions made
3 13 in the employer's tax year to the lifelong learning accounts
3 14 established on behalf of the employer's employees. The
3 15 maximum annual contribution which qualifies for the credit is
3 16 five hundred dollars per employee.

3 17 2. Any credit in excess of the tax liability shall be
3 18 refunded with interest computed under section 422.25. In lieu
3 19 of claiming a refund, a taxpayer may elect to have the
3 20 overpayment shown on the taxpayer's final, completed return
3 21 credited to the tax liability for the following tax year.

3 22 3. An individual may claim the tax credit allowed a
3 23 partnership, limited liability company, S corporation, estate,
3 24 or trust electing to have the income taxed directly to an
3 25 individual. The amount claimed by the individual shall be
3 26 based upon the pro rata share of the individual's earnings of
3 27 a partnership, limited liability company, S corporation,
3 28 estate, or trust.

3 29 Sec. 4. Section 84A.5, subsection 1, paragraph a, Code
3 30 Supplement 2007, is amended to read as follows:

3 31 a. The workforce development system shall strive to
3 32 provide high quality services to its customers including
3 33 workers, families, and businesses. The department of
3 34 workforce development shall maintain a common intake,
3 35 assessment, and customer tracking system and to the extent
4 1 practical provide one-stop services to customers at workforce
4 2 development centers and other service access points. The
4 3 department of workforce development shall administer a
4 4 statewide standard skills assessment to assess the
4 5 employability skills of adult workers statewide and shall
4 6 instruct appropriate department staff in the administration of
4 7 the assessment. The assessment shall be included in the
4 8 one-stop services provided to customers at workforce
4 9 development centers and other service access points throughout
4 10 the state.

4 11 Sec. 5. NEW SECTION. 422.11V LIFELONG LEARNING ACCOUNT
4 12 TAX CREDIT.

4 13 The taxes imposed under this division, less the credits
4 14 allowed under section 422.12, shall be reduced by a lifelong
4 15 learning account tax credit authorized pursuant to section
4 16 12D.13.

4 17 Sec. 6. Section 422.33, Code Supplement 2007, is amended
4 18 by adding the following new subsection:
4 19 NEW SUBSECTION. 25. The taxes imposed under this division
4 20 shall be reduced by a lifelong learning account tax credit
4 21 authorized pursuant to section 12D.13.

4 22 Sec. 7. Section 422.60, Code Supplement 2007, is amended
4 23 by adding the following new subsection:

4 24 NEW SUBSECTION. 15. The taxes imposed under this division
4 25 shall be reduced by a lifelong learning account tax credit
4 26 authorized pursuant to section 12D.13.

4 27 Sec. 8. NEW SECTION. 432.12L LIFELONG LEARNING ACCOUNT
4 28 TAX CREDIT.

4 29 The tax imposed under this chapter shall be reduced by a
4 30 lifelong learning account tax credit authorized pursuant to
4 31 section 12D.13.

4 32 Sec. 9. Section 533.329, subsection 2, Code Supplement
4 33 2007, is amended by adding the following new paragraph:
4 34 NEW PARAGRAPH. n. The moneys and credits tax imposed
4 35 under this section shall be reduced by a lifelong learning
5 1 account tax credit authorized pursuant to section 12D.13.
5 2 Sec. 10. APPLICABILITY DATE. The sections of this Act
5 3 enacting sections 12D.12, 12D.13, and 422.11V; section 422.33,
5 4 subsection 25; section 422.60, subsection 15; section 432.12L;
5 5 and section 533.329, subsection 2, paragraph "n", apply to tax
5 6 years ending after the effective date of this Act.

5 7 EXPLANATION

5 8 This bill provides for the establishment of measures to
5 9 increase Iowa's skilled workforce, including a statewide
5 10 standard skills assessment, integrated basic education and
5 11 skills training, and lifelong learning accounts. The bill
5 12 makes appropriations for FY 2008=2009 from the general fund of
5 13 the state to the department of workforce development to
5 14 support various measures, including an offender reentry
5 15 program and workforce research, and provides for a refundable
5 16 tax credit to encourage employees and their employers to save
5 17 for worker training and retraining.

5 18 LIFELONG LEARNING ACCOUNTS PROGRAM. The bill directs the
5 19 treasurer of state, in coordination with the department of
5 20 workforce development, to establish a lifelong learning
5 21 accounts program within the Iowa educational savings plan
5 22 trust. The purpose of the program is to encourage employees
5 23 and their employers to save for worker training and
5 24 retraining.

5 25 The bill provides a refundable tax credit for the employer
5 26 for contributions to an employee's account equal to 50 percent
5 27 of the first \$500 of the employer's contributions made during
5 28 the employer's tax year.

5 29 The tax credit may be used to reduce the tax liability
5 30 under the individual and corporate income, franchise,
5 31 insurance premiums, and moneys and credits taxes.

5 32 These provisions apply to tax years ending after the
5 33 effective date of the bill.

5 34 STATEWIDE STANDARD SKILLS ASSESSMENT. The bill requires
5 35 the department of workforce development, in consultation with
6 1 the departments of education and economic development,
6 2 postsecondary institutions, economic developers, and business
6 3 representatives, to develop, implement, and modify as
6 4 necessary a statewide standard skills assessment to assess the
6 5 employability skills of adult workers statewide, and to
6 6 instruct appropriate department staff in the administration of
6 7 the assessment. The bill appropriates \$500,000 for
6 8 development and administration of the assessment.

6 9 INTEGRATED BASIC EDUCATION AND SKILLS TRAINING. The bill
6 10 appropriates \$500,000 for purposes of conducting integrated
6 11 basic education and skills training demonstration projects
6 12 with eligible community colleges to bring English as a second
6 13 language and adult basic education instructors together with
6 14 professional=technical instructors in the same classroom to
6 15 provide students with contextualized remediation and English
6 16 language services and occupational training at the same time.
6 17 The bill provides for the employment of a coordinator who,
6 18 with the support of the department of education and other
6 19 interested agencies, can award grants to five of Iowa's
6 20 eligible community colleges in approved programs in career
6 21 tracks that assist in solving the workforce shortage.

6 22 OFFENDER REENTRY PROGRAM. The bill appropriates \$375,000
6 23 for development and administration of a program to provide
6 24 offenders with employment skills. The bill requires the
6 25 department to partner with the department of corrections to
6 26 provide staff within the correctional facilities to improve
6 27 offenders' abilities to find and retain employment.

6 28 WORKFORCE SHORTAGE RESEARCH. The bill appropriates
6 29 \$500,000 to develop statewide vacancy surveys and a
6 30 workforce=needs assessment to identify the occupations that
6 31 will face shortages and identify the skills and preparation
6 32 needed to fill the positions.

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