

House File 2457 - Introduced

HOUSE FILE 2457
BY GOSA and RAMIREZ

A BILL FOR

1 An Act establishing the credential-attainment program within the
2 department of workforce development, making appropriations,
3 and including effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. **260K.1 Title.**

2 This chapter shall be known and may be cited as the
3 "*Credential-attainment Program Act*".

4 Sec. 2. NEW SECTION. **260K.2 Definitions.**

5 As used in this chapter:

6 1. "*Community college*" means a community college established
7 under chapter 260C or a consortium of two or more community
8 colleges.

9 2. "*Credential*" means a postsecondary certificate or other
10 competency-based credential that is not authorized for federal
11 student aid under Tit. IV of the federal Higher Education Act
12 of 1965, as amended. "*Credential*" does not include an associate
13 degree or any degree beyond an associate degree.

14 3. "*Credential-attainment program*" means a program
15 established pursuant to section 260K.3.

16 4. "*Economic downturn*" includes a layoff of existing
17 employees, reduced employment levels, increased inventories, or
18 reduced sales, if specified in the program agreement entered into
19 under section 260K.3.

20 5. "*Employer*" means a business or consortium of businesses
21 engaged in interstate or intrastate commerce for the purpose of
22 manufacturing, processing, or assembling products, construction,
23 conducting research and development, or providing services in
24 interstate or intrastate commerce, but excludes retail services.

25 6. "*Participant*" means an individual who is participating in
26 a credential-attainment program.

27 7. "*Program costs*" means all necessary and incidental costs
28 of providing program services.

29 8. "*Program job*" means a high-wage job available from an
30 employer pursuant to a program agreement entered into under
31 section 260K.3.

32 9. "*Program job credit*" means the credit as provided in
33 section 260K.4.

34 10. "*Program job position*" means a job position which is
35 planned or available for an employee by the employer pursuant to

1 a program agreement.

2 11. "Program services" includes but is not limited to all
3 of the following, provided that they are pursuant to a program
4 agreement entered into under section 260K.3:

- 5 a. Program needs assessment and development.
- 6 b. Job task analysis.
- 7 c. Curriculum development and revision.
- 8 d. Instruction.
- 9 e. Instructional materials and supplies.
- 10 f. Computer software and upgrades.
- 11 g. Instructional support.
- 12 h. Administrative and student services.
- 13 i. Related school-to-career training programs.
- 14 j. Skill or career interest assessment services and testing.
- 15 k. Contracted services.

16 12. "School district" means a school district as described in
17 chapter 274.

18 Sec. 3. NEW SECTION. **260K.3 Program agreements.**

19 1. a. A community college may enter into an agreement with
20 an employer in the community college's merged area and a school
21 district in the community college's merged area to establish
22 a credential-attainment program pursuant to which the community
23 college agrees to provide students who are enrolled in the
24 school district in grades nine through twelve with access to
25 an educational program that is designed to lead to a credential
26 while the student is enrolled in high school, and the employer
27 agrees to fund part of the program costs pursuant to section
28 260K.4 and to hire into a high-wage program job all students
29 who complete the educational program, attain the credential, and
30 graduate high school.

31 b. The credential-attainment program shall be developed by
32 the community college, employer, and school district, and, if a
33 bargaining agreement is in place that covers employees of the
34 employer, a representative of the bargaining unit.

35 2. A program agreement may include reasonable and necessary

1 provisions to implement the credential-attainment program. If
2 a program agreement is entered into, the community college,
3 employer, and school district shall notify the department of
4 revenue as soon as possible. The community college shall also
5 file a copy of the program agreement with the department of
6 workforce development as required in section 260K.5. The program
7 agreement shall provide for program costs, including deferred
8 costs, which may be paid from any of the following sources:

9 a. Program job credits which the employer receives based on
10 the number of program job positions agreed to by the employer to
11 be available under the agreement.

12 b. Cash or in-kind contributions by the employer toward the
13 program cost. At a minimum, the employer contribution shall be
14 twenty percent of the program costs.

15 c. Tuition, student fees, or special charges fixed by the
16 community college to defray program costs.

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

19 3. A program agreement must do all of the following:

20 a. Include a provision that specifies the type and amount of
21 funding sources that will be used to pay for program costs.

22 b. Require program costs to be adjusted on an annual basis
23 based on the required program services and for a specific number
24 of participant positions.

25 c. Describe program services and schedules for
26 implementation.

27 d. Provide for a wage level of no less than two hundred
28 percent of the federal poverty level for a family of two as
29 defined by the most recently revised poverty income guidelines
30 as published by the United States department of health and human
31 services at the time the agreement is entered into. The wage
32 level must be recertified for each year provided in the agreement
33 on the anniversary of the effective date of the agreement.

34 e. Provide for employer default procedures.

35 4. The term of a program agreement shall not exceed five

1 years from the date of the program agreement. However, the
2 program agreement may be renewed.

3 5. A program agreement must allow an employer to decline to
4 hire a student who completes the educational program, attains the
5 credential, and graduates high school, as required by subsection
6 1, paragraph "a", if the employer experiences an economic
7 downturn.

8 Sec. 4. NEW SECTION. **260K.4 Program job credits from**
9 **withholding.**

10 In order to develop and retain program jobs within the state,
11 a program agreement entered into under section 260K.3 may include
12 a provision for program job credits based on program jobs
13 identified in the program agreement. If a program agreement
14 provides that part of the program costs are to be met by receipt
15 of program job credits, the method to be used shall be as
16 follows:

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

19 2. Eligibility for program job credits shall be based on
20 certification of program job positions and program job wages by
21 the employer at the time established in the program agreement.
22 An amount up to ten percent of the gross program job wage, as
23 certified by the employer in the program agreement, shall be
24 credited from the total payment made by an employer pursuant to
25 section 422.16. The employer shall receive a credit against all
26 withholding taxes due by the employer regardless of whether the
27 withholding from the employer of current program job wages is
28 less than ten percent. The employer shall remit the amount of
29 the credit quarterly in the same manner as withholding payments
30 are reported to the department of revenue, to the community
31 college to be allocated to and when collected paid into a special
32 fund of the community college to pay, in part, the program costs.
33 The community college shall remit to the treasurer of state for
34 deposit in the general fund of the state any moneys received by
35 the community college from the employer after the program costs

1 have been paid.

2 3. The employer shall certify to the department of revenue
3 that the program job credit is in accordance with the program
4 agreement and shall provide other information the department of
5 revenue may require.

6 4. A community college shall certify to the department
7 of revenue that the amount of the program job credit is in
8 accordance with the program agreement and shall provide other
9 information the department of revenue may require.

10 5. Employees from an employer participating in a program
11 agreement shall receive full credit for the amount withheld as
12 provided in section 422.16.

13 Sec. 5. NEW SECTION. **260K.5 Maximum statewide**
14 **credential-attainment program job credit.**

15 1. a. The total amount of credential-attainment program job
16 credits from all employers which shall be allocated for all
17 credential-attainment programs in the state in any one fiscal
18 year shall not exceed five million four hundred thousand dollars.

19 b. A community college shall file a copy of each program
20 agreement with the department of workforce development. The
21 department of workforce development shall maintain an annual
22 record of the proposed credential-attainment program job credits
23 under each program agreement for each fiscal year.

24 c. Upon receiving a copy of a program agreement, the
25 department of workforce development shall allocate any available
26 amount of credential-attainment program job credits to the
27 community college according to the program agreement sufficient
28 for the fiscal year and for the term of the program agreement.
29 When the total available credential-attainment program job
30 credits are allocated for a fiscal year, the department
31 of workforce development shall notify all community colleges
32 that the maximum amount has been allocated and that further
33 credential-attainment program job credits will not be available
34 for the remainder of the fiscal year.

35 d. Once credential-attainment program job credits have been

1 allocated to a community college, the full allocation shall
2 be received by the community college throughout the fiscal
3 year and for the term of the program agreement even if the
4 statewide credential-attainment program job credit maximum amount
5 is subsequently allocated and used.

6 2. a. The department of workforce development shall
7 administer the statewide allocations of credential-attainment
8 program job credits to credential-attainment programs.

9 b. The department of workforce development shall divide
10 equally among the community colleges thirty percent of the
11 credential-attainment program job credits available for each
12 fiscal year for allocation to each community college to be used
13 to provide funding for approved credential-attainment programs.
14 If any portion of the allocation to a community college under
15 this paragraph has not been committed by April 1 of the fiscal
16 year for which the allocation is made, the uncommitted portion is
17 available for use by other community colleges.

18 c. Once a community college has committed its allocation for
19 any fiscal year under this subsection, the community college
20 may receive additional credential-attainment program job credit
21 allocations from those credential-attainment program job credits
22 authorized and still available for that fiscal year.

23 Sec. 6. NEW SECTION. **260K.6 Customer tracking system.**

24 All participants in the credential-attainment program shall
25 be included in the customer tracking system implemented by the
26 department of workforce development pursuant to section 84A.5
27 following program completion.

28 Sec. 7. NEW SECTION. **260K.7 Fund established — allocation
29 of moneys.**

30 1. A credential-attainment program fund is established in the
31 state treasury under the control of the department of workforce
32 development. Moneys in the credential-attainment program fund
33 are appropriated to the department of workforce development for
34 purposes of funding the cost of credential-attainment program
35 capital projects for vertical infrastructure as defined in

1 section 8.57, subsection 3, paragraph "c".

2 2. If moneys are appropriated by the general assembly
3 to the department of workforce development for deposit in
4 the credential-attainment program fund, such moneys shall be
5 allocated equally to each community college.

6 Sec. 8. NEW SECTION. **260K.8 Administration and reporting.**

7 1. The department of workforce development shall adopt rules
8 pursuant to chapter 17A to administer this chapter.

9 2. The department of workforce development shall submit
10 an annual report to the general assembly on or before
11 March 15 each year that contains information related to the
12 credential-attainment program.

13 Sec. 9. EFFECTIVE DATE. This Act takes effect July 1, 2027.

14 **EXPLANATION**

15 The inclusion of this explanation does not constitute agreement with
16 the explanation's substance by the members of the general assembly.

17 This bill establishes the credential-attainment program within
18 the department of workforce development.

19 The bill authorizes a community college to enter into an
20 agreement with an employer and a school district to establish
21 a credential-attainment program pursuant to which the community
22 college agrees to provide students who are enrolled in the
23 school district in grades 9 through 12 with access to an
24 educational program that is designed to lead to a credential
25 while the student is enrolled in high school, and the employer
26 agrees to fund part of the program costs and to hire into a
27 high-wage program job all students who complete the educational
28 program, attain the credential, and graduate high school. The
29 bill provides that the credential-attainment program is to
30 be developed by the community college, employer, and school
31 district, and, if a bargaining agreement is in place that covers
32 employees of the employer, a representative of the bargaining
33 unit.

34 The bill requires the community college, employer, and school
35 district to notify the department of revenue if a program

1 agreement is entered into, and the community college is also
2 required to file a copy of the program agreement with the
3 department of workforce development.

4 The bill establishes that the program agreement is required
5 to provide for program costs, and authorizes sources from which
6 program costs may be paid, which include program job credits.
7 The bill establishes other requirements related to the program
8 agreement, including that the program agreement must include a
9 provision that specifies the type and amount of funding sources
10 that will be used to pay for program costs; require program costs
11 to be adjusted on an annual basis; describe program services and
12 schedules for implementation; provide for a specified wage level;
13 and provide employer default procedures. The term of a program
14 agreement cannot exceed five years; provided, however, that a
15 program agreement may be renewed. A program agreement must
16 allow an employer to decline to hire a student if the employer
17 experiences an economic downturn.

18 The bill establishes the method that is required to be used
19 if a program agreement provides that part of the program costs
20 are to be met by receipt of program job credits. Pursuant to
21 that method, program job credits are to be based on the program
22 job positions identified in the program agreement. Eligibility
23 for program job credits is based on certification of program job
24 positions and program job wages by the employer. An amount up
25 to 10 percent of the gross program job wage is credited from
26 the total payment made by an employer pursuant to Code section
27 422.16 (withholding of income tax at source — penalties —
28 interest — declaration of estimated tax — bond). The employer
29 receives a credit against all withholding taxes due by the
30 employer regardless of whether the withholding from the employer
31 of current program job wages is less than 10 percent. The
32 employer is required to remit the amount of the credit quarterly
33 in the same manner as withholding payments are reported to the
34 department of revenue to the community college to be allocated
35 to, and when collected, paid into a special fund of the community

1 college to pay, the program costs. The employer is required to
2 certify to the department of revenue that the program job credit
3 is in accordance with the program agreement, and the community
4 college is required to certify to the department of revenue that
5 the amount of the program job credit is in accordance with the
6 program agreement. Employees from an employer participating in a
7 program agreement receive full credit for the amount withheld as
8 provided in Code section 422.16.

9 The total amount of credential-attainment program job
10 credits from all employers which shall be allocated for all
11 credential-attainment programs in the state in any one fiscal
12 year cannot exceed \$5.4 million. The bill requires the
13 department of workforce development to maintain an annual record
14 of the proposed credential-attainment program job credits under
15 each program agreement for each fiscal year. The bill requires
16 the department of workforce development to administer the
17 statewide allocation of credential-attainment program job credits
18 and establishes a process related to how the department of
19 workforce development allocates available credential-attainment
20 program job credits.

21 The bill requires all participants in the
22 credential-attainment program to be included in the customer
23 tracking system implemented by the department of workforce
24 development following program completion.

25 The bill establishes a credential-attainment program fund
26 in the state treasury under the control of the department of
27 workforce development. The moneys in the fund are appropriated
28 to the department of workforce development for purposes of
29 funding the cost of credential-attainment program capital
30 projects for vertical infrastructure. The bill provides that if
31 the general assembly appropriates moneys for this purpose, such
32 moneys are required to be allocated equally to each community
33 college.

34 The bill requires the department of workforce development to
35 adopt rules to administer the credential-attainment program and

1 to submit annual reports to the general assembly relating to the
2 credential-attainment program.

3 The bill defines "community college", "credential",
4 "credential-attainment program", "economic downturn", "employer",
5 "participant", "program costs", "program job", "program job
6 credit", "program job position", "program services", and "school
7 district".

8 The bill takes effect July 1, 2027.

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