

FEB 15 2006  
ECONOMIC GROWTH

HOUSE FILE 2377  
BY JENKINS

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act creating a regents accelerated career education program  
2 and providing job program tax credits.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2377

1 Section 1. NEW SECTION. 260H.1 TITLE.

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

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

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

7 1. "Agreement" means a program agreement referred to in  
8 section 260H.3 between an employer and a university.

9 2. "Board" means the state board of regents created in  
10 chapter 262.

11 3. "Employee" means a person employed in a program job.

12 4. "Employer" means a business or consortium of businesses  
13 engaged in interstate or intrastate commerce for the purpose  
14 of manufacturing, processing, or assembling products,  
15 construction, conducting research and development, or  
16 providing services in interstate or intrastate commerce, but  
17 excludes retail services.

18 5. "High technology job" means a job in the area of  
19 advanced manufacturing, biotechnology, or life sciences.

20 6. "Participant" means an individual who is enrolled in a  
21 regents accelerated career education program at a university.

22 7. "Participant position" means the individual student  
23 enrollment position available in a regents accelerated career  
24 education program.

25 8. "Program capital costs" includes but is not limited to  
26 costs related to any or all of the following:

- 27 a. Classroom and laboratory renovation.
- 28 b. New classroom and laboratory construction.
- 29 c. Site acquisition or preparation.
- 30 d. Instructional equipment and technology.

31 9. "Program costs" means all necessary and incidental  
32 costs of providing program services.

33 10. "Program job" means a high technology job available  
34 from an employer pursuant to a program agreement.

35 11. "Program job credit" means the credit as provided in

1 section 260H.5.

2 12. "Program job position" means a job position which is  
3 planned or available for an employee by the employer pursuant  
4 to a program agreement.

5 13. "Program services" includes but is not limited to all  
6 of the following provided they are pursuant to a program  
7 agreement:

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

20 14. "Regents accelerated career education program" means a  
21 program established pursuant to section 260H.3.

22 15. "University" means an institution of higher learning  
23 under the control of the state board of regents.

24 Sec. 3. NEW SECTION. 260H.3 PROGRAM AGREEMENTS.

25 1. A university may enter into an agreement with an  
26 employer to establish a regents accelerated career education  
27 program. The program shall be developed by an employer, a  
28 university, and any employee of an employer who represents a  
29 program job. If a bargaining agreement is in place, a  
30 representative of the employee bargaining unit shall also take  
31 part in the development of the program.

32 2. An agreement may include reasonable and necessary  
33 provisions to implement the regents accelerated career  
34 education program. If an agreement that utilizes program job  
35 credits is entered into, the university and the employer shall

1 notify the department of revenue as soon as possible. The  
2 university shall also file a copy of the agreement with the  
3 department of economic development as required in section  
4 260H.6. The agreement shall provide for program costs,  
5 including deferred costs, which may be paid from any of the  
6 following sources:

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

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

13 c. Tuition, student fees, or special charges fixed by the  
14 board to defray program costs.

15 d. A guarantee by the employer of payments to be received  
16 under paragraphs "a" and "b".

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

20 4. An agreement shall describe program services and  
21 schedules for implementation.

22 5. The term of an agreement shall not exceed five years  
23 from the date of the agreement. However, the agreement may be  
24 renewed.

25 6. As part of an agreement, the employer shall agree to  
26 interview graduating participants, who are not full-time  
27 employees, for full-time positions with the employer and to  
28 provide future hiring preferences to graduates of the regents  
29 accelerated career education program provided for in the  
30 agreement.

31 7. As part of an agreement, if an employer has more than  
32 four sponsored participants in the program, the employer shall  
33 agree to offer a program job position of full-time employment  
34 to at least twenty-five percent of those participants who  
35 successfully complete the program. A sponsored participant

1 who is a full-time employee shall be considered to have been  
2 offered a job for purposes of determining the twenty-five  
3 percent requirement.

4 8. An agreement shall provide for a wage level of no less  
5 than two hundred percent of the federal poverty level for a  
6 family of two as defined by the most recently revised poverty  
7 income guidelines as published by the United States department  
8 of health and human services at the time the agreement is  
9 entered into. The wage level shall be recertified for each  
10 year provided in the agreement on the anniversary of the  
11 effective date of the agreement.

12 9. An agreement shall allow an employer to decline to  
13 satisfy any provisions in the agreement relating to  
14 subsections 6 and 7 if an employer experiences an economic  
15 downturn. For purposes of this subsection, "economic  
16 downturn" may include a layoff of existing employees, reduced  
17 employment levels, increased inventories, or reduced sales, if  
18 specified in the agreement.

19 10. Participants shall agree to interview with the  
20 employer following completion of the regents accelerated  
21 career education program.

22 11. An agreement shall provide for employer default  
23 procedures.

24 Sec. 4. NEW SECTION. 260H.4 PROGRAM ELIGIBILITY AND  
25 DESIGNATION.

26 1. Any graduate level program at a university related to  
27 the area of advanced manufacturing, biotechnology, or life  
28 sciences is eligible for designation and approval as a regents  
29 accelerated career education program by the board.

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

33 Sec. 5. NEW SECTION. 260H.5 PROGRAM JOB CREDITS FROM  
34 WITHHOLDING.

35 An agreement entered into under section 260H.3 may include

1 a provision for program job credits based on program jobs  
2 identified in the agreement. If a program provides that part  
3 of the program costs are to be met by receipt of program job  
4 credits, the method to be used shall be as follows:

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

7 2. Eligibility for program job credits shall be based on  
8 certification of program job positions and program job wages  
9 by the employer at the time established in the agreement. An  
10 amount up to ten percent of the gross program job wage as  
11 certified by the employer in the agreement shall be credited  
12 from the total payment made by an employer pursuant to section  
13 422.16. The employer shall receive a credit against all  
14 withholding taxes due by the employer regardless of whether or  
15 not the withholding from the employer of current program job  
16 wages is less than ten percent. The employer shall remit the  
17 amount of the credit quarterly, in the same manner as  
18 withholding payments are reported to the department of  
19 revenue, to the university to be allocated to and, when  
20 collected, paid into a special fund of the university to pay,  
21 in part, the program costs. When the program costs have been  
22 paid, the employer credits shall cease and any moneys received  
23 after the program costs have been paid shall be remitted to  
24 the treasurer of state to be deposited in the general fund of  
25 the state.

26 3. The employer shall certify to the department of revenue  
27 that the program job credit is in accordance with the  
28 agreement and shall provide other information the department  
29 may require.

30 4. A university shall certify to the department of revenue  
31 that the amount of the program job credit is in accordance  
32 with an agreement and shall provide other information the  
33 department may require.

34 5. Employees from an employer participating in an  
35 agreement shall receive full credit for the amount withheld as

1 provided in section 422.16.

2 Sec. 6. NEW SECTION. 260H.6 MAXIMUM STATEWIDE PROGRAM  
3 JOB CREDIT.

4 1. The total amount of program job credits from all  
5 employers which shall be allocated for all regents accelerated  
6 career education programs in the state in any one fiscal year  
7 shall not exceed the sum of one million dollars each fiscal  
8 year for the fiscal period beginning July 1, 2006, and ending  
9 June 30, 2016. A university shall file a copy of each  
10 agreement with the department of economic development. The  
11 department shall maintain an annual record of the proposed  
12 program job credits under each agreement for each fiscal year.  
13 Upon receiving a copy of an agreement, the department shall  
14 allocate any available amount of program job credits to the  
15 university according to the agreement sufficient for the  
16 fiscal year and for the term of the agreement. When the total  
17 available program job credits are allocated for a fiscal year,  
18 the department shall notify all universities that the maximum  
19 amount has been allocated and that further program job credits  
20 will not be available for the remainder of the fiscal year.  
21 Once program job credits have been allocated to a university,  
22 the full allocation shall be received by the university  
23 throughout the fiscal year and for the term of the agreement  
24 even if the statewide program job credit maximum amount is  
25 subsequently allocated and used.

26 2. For the fiscal period beginning July 1, 2006, and  
27 ending June 30, 2016, the department of economic development  
28 shall divide equally among the universities thirty percent of  
29 the program job credits available each fiscal year for  
30 allocation to each university to be used to provide funding  
31 for approved programs. If any portion of the allocation to a  
32 university under this subsection has not been committed by  
33 April 1 of the fiscal year for which the allocation is made,  
34 the uncommitted portion is available for use by other  
35 universities. Once a university has committed its allocation

1 for any fiscal year under this subsection, the university may  
2 receive additional program job credit allocations from those  
3 program job credits authorized and still available for that  
4 fiscal year.

5 Sec. 7. NEW SECTION. 260H.7 FACILITATOR.

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

13 Sec. 8. NEW SECTION. 260H.8 CUSTOMER TRACKING SYSTEM.

14 All participants in a regents accelerated career education  
15 program shall be included in the customer tracking system  
16 implemented by the department of workforce development  
17 pursuant to section 84A.5 following program completion.

18 Sec. 9. NEW SECTION. 260H.9 PROGRAM CAPITAL FUNDS  
19 ALLOCATION.

20 If moneys are appropriated by the general assembly to  
21 support program capital costs, the moneys shall be allocated  
22 according to rules adopted by the department of economic  
23 development pursuant to chapter 17A. In order to receive such  
24 moneys, a program agreement approved by the board must be in  
25 place, program capital cost requests shall be approved by the  
26 Iowa economic development board created in section 15.103,  
27 program capital cost requests shall be approved or denied not  
28 later than sixty days following receipt of the request by the  
29 department of economic development, and employer contributions  
30 toward program capital costs shall be certified and agreed to  
31 in the agreement.

32 EXPLANATION

33 This bill creates a regents accelerated career education  
34 program and provides job program tax credits.

35 The bill provides that a university, defined as an

1 institution of higher learning under the control of the state  
2 board of regents, may enter into an agreement with an employer  
3 to establish a regents accelerated career education program.  
4 The bill provides that a program shall be developed by an  
5 employer, a university, and any employee of an employer who  
6 represents a program job. The bill requires certain filing  
7 and notice requirements when an agreement is entered into. A  
8 program job is a high technology job available from an  
9 employer pursuant to a program agreement. A high technology  
10 job is a job in the area of advanced manufacturing,  
11 biotechnology, or life sciences.

12 The bill requires an agreement to provide for program  
13 costs, including deferred costs, which may be paid from  
14 program job credits the employer receives based on the number  
15 of program job positions agreed to by the employer to be  
16 available under the agreement, cash or in-kind contributions  
17 by the employer toward the program cost, tuition, student  
18 fees, or special charges fixed by the board to defray program  
19 costs, or a guarantee by the employer of payments to be  
20 received. The bill requires an agreement to include a  
21 provision which specifies the type and amount of funding  
22 sources which shall be used to pay for program costs and a  
23 provision that describes program services and schedules for  
24 implementation. The bill limits the term of an agreement to a  
25 term not exceeding five years from the date of the agreement.  
26 An agreement may be renewed. The bill provides that the  
27 employer shall agree to interview graduating participants for  
28 full-time positions with the employer and to provide future  
29 hiring preferences to graduates of the regents accelerated  
30 career education program provided for in the agreement. The  
31 bill provides that if an employer has more than four sponsored  
32 participants in the program, the employer shall agree to offer  
33 a program job position of full-time employment to at least 25  
34 percent of those participants who successfully complete the  
35 program. The bill provides that an agreement shall provide

1 for a wage level of no less than 200 percent of the federal  
2 poverty level for a family of two. The bill provides that an  
3 agreement shall allow an employer to decline to satisfy  
4 certain provisions in an agreement if the employer experiences  
5 an economic downturn. The bill provides that participants  
6 shall agree to interview with the employer following  
7 completion of the regents accelerated career education  
8 program.

9 The bill provides that an agreement may include a provision  
10 for program job credits based on program jobs identified in  
11 the agreement. The bill provides that eligibility for program  
12 job credits shall be based on certification of program job  
13 positions and program job wages by the employer at the time  
14 established in the agreement. An amount up to 10 percent of  
15 the gross program job wage as certified by the employer in the  
16 agreement shall be credited from the total payment made by an  
17 employer as withholding from income tax. The bill provides  
18 that an employer shall receive a credit against all  
19 withholding taxes due by the employer regardless of whether  
20 the withholding from the employer of current program job wages  
21 is less than 10 percent. The employer shall remit the amount  
22 of the credit quarterly to the university to be allocated to a  
23 special fund of the university to pay, in part, the program  
24 costs. The bill provides that when the program costs have  
25 been paid, the employer credits shall cease and any moneys  
26 received after the program costs have been paid shall be  
27 remitted to the treasurer of state to be deposited in the  
28 general fund of the state.

29 The bill provides that the total amount of program job  
30 credits from all employers which shall be allocated for all  
31 regents accelerated career education programs in the state in  
32 any one fiscal year shall not exceed the sum of \$1 million  
33 each fiscal year for the fiscal period beginning July 1, 2006,  
34 and ending June 30, 2016. The bill provides that for the  
35 fiscal period beginning July 1, 2006, and ending June 30,

1 2016, the department of economic development shall divide  
2 equally among the universities 30 percent of the program job  
3 credits available each fiscal year for allocation to each  
4 university to be used to provide funding for approved  
5 programs. If any portion of the allocation to a university  
6 has not been committed by April 1 of the fiscal year for which  
7 the allocation is made, the uncommitted portion is available  
8 for use by other universities. The bill provides that once a  
9 university has committed its allocation for any fiscal year,  
10 the university may receive additional program job credit  
11 allocations from those program job credits authorized and  
12 still available for that fiscal year.

13 The bill requires the department of economic development to  
14 administer the statewide allocations of program job credits to  
15 regents accelerated career education programs.

16 The bill requires all participants in a regents accelerated  
17 career education program to be included in the customer  
18 tracking system implemented by the department of workforce  
19 development following program completion.

20 The bill provides that if moneys are appropriated by the  
21 general assembly to support program capital costs, the moneys  
22 shall be allocated according to rules adopted by the  
23 department of economic development.

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