

# Alabama Future Workforce Initiative

## Act # 2014-147

For tax years commencing January 1, 2015, and thereafter, the **Alabama Future Workforce Initiative**, Act # 2014-147, allows a taxpayer who files a state income tax return (and is not a dependent of another taxpayer) to claim a tax credit for donating to the Alabama Department of Postsecondary Education in support of the Career-Technical Dual Enrollment Program. The donor may be eligible to receive up to 50% of the total donation as a tax credit.

- The **Alabama Future Workforce Initiative** provides scholarships for eligible high school students in grades 10-12 to be dually-enrolled in college level career-technical courses of study, allowing them the opportunity to concurrently earn both high school and college credit.
- The **Alabama Future Workforce Initiative** is designed to help accelerate career and technical education for eligible high school students and to help fill the unmet workforce needs of Alabama employers – including those that are already operating here and those that will locate here in years to come.
- The **Alabama Future Workforce Initiative** will place an emphasis and investment in workforce development and will assist in sustaining Alabama’s hard-earned economic progress.
- If Alabama taxpayers step forward to fully fund the **Alabama Future Workforce Initiative**, the potential exists to create a \$10 million scholarship fund for students to participate in career-technical dual enrollment programs across Alabama.
- Individuals and businesses that donate to the **Alabama Future Workforce Initiative** scholarship fund may receive a state income tax credit of up to 50% of their total contributions. The annual cap for the total tax credits is limited to \$5 million; therefore the cost to the State of providing \$10 million in scholarships is only \$5 million.
- The **Alabama Future Workforce Initiative** will allow up to 80% of any contribution be directed, by the donor, to a specific career-technical dual enrollment program at any participating Alabama Community or Technical college. So if a local employer, for example, has a need for skilled workers in a certain field, they can help fund the training to produce them locally.

- Working closely together through the **Alabama Future Workforce Initiative**, the Alabama Department of Education and the Alabama Department of Postsecondary, will now be able to significantly expand and accelerate the education and training of high school students for the high-demand, high-wage jobs in our state. Because of a lack of funding, only about 2,100 students currently receive a career-technical dual enrollment scholarship annually, in Alabama even though more than 31,000 are eligible.
  - Some students will pursue degrees or certificates in Automated Manufacturing, Aviation Systems Technology, Certified Nursing Assistant, Welding, Electronic Engineering Technology, or in 80 other approved technical fields.
  - Students receiving these scholarships will be able to graduate from high school either with, or well along the way to earning, associate degrees or certificates in their chosen technical field of study.
  - Upon graduation from high school, these students will be afforded several options: with the technical skills they've gained, some may elect to enter the workforce immediately ... while others may decide to continue their education and training at either a community college or four-year institution.
- Donations made through the **Alabama Future Workforce Initiative** will provide student scholarships for tuition, fees, books, materials and supplies for eligible high schools students to enroll in college-level Career Technical Education courses at Alabama community colleges.
- All institutions within the Alabama Community Colleges System are participating in the **Alabama Future Workforce Initiative** with the exception of Ingram State Technical College, Marion Military Institute, and Alabama Technology Network are participating and offering various career-technical programs of study.
- Contribution forms for donations to the **Alabama Future Workforce Initiative** will be provided by the Alabama Department of Postsecondary Education.
- The **Alabama Future Workforce Initiative** contributors will be provided a receipt by the Alabama Department of Postsecondary Education for tax filing purposes. Electronic notification will then be submitted to the Alabama Department of Revenue. .
- Other states with effective career-technical dual enrollment programs have seen high school dropout rates plummet and grades rise in schools where it is offered.
- The **Alabama Future Workforce Initiative** is an investment in our workforce, an investment in our economic development efforts, and an investment in the young men and women of today who will comprise our workforce of tomorrow.