

CHAPTER 1204
SPECIAL EMPLOYMENT SECURITY CONTINGENCY FUND
S.F. 2040

AN ACT amending Iowa's unemployment compensation law by crediting earned interest on the special employment security contingency fund to the temporary emergency surcharge fund, by limiting expenditures from the special employment security contingency fund, by annually transferring certain amounts from the special employment security contingency fund to the temporary emergency surcharge fund or to the unemployment trust fund, and by requiring an annual departmental report detailing planned expenditures from the special employment security contingency fund.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 96.13, subsection 3, Code 1983, is amended to read as follows:

3. **SPECIAL EMPLOYMENT SECURITY CONTINGENCY FUND.** There is hereby created in the state treasury a special fund to be known as the special employment security contingency fund. All interest, fines, and penalties, regardless of when ~~the same they~~ become payable, collected from employers under ~~the provisions of section 96.14 subsequent to July 1, 1970,~~ shall be paid into ~~this the~~ fund. ~~Said The~~ moneys shall not be expended or available for expenditure in any manner which would permit their substitution for federal funds which would in the absence of ~~said the~~ moneys be available to finance expenditures for the administration of the employment security law. ~~Nothing in this section shall prevent said~~ However, the moneys from being may be used as a revolving fund to cover expenditures for which federal funds have been duly requested but not yet received, subject to the charging of ~~sueh the~~ expenditures against ~~sueh the~~ funds when received. ~~Said fund The moneys~~ may be used for the payment of costs of administration which are found not to have been properly and validly chargeable against federal grants or other funds, received for or in the employment security administration fund. The moneys in ~~this the~~ fund are hereby specifically made available to replace, within a reasonable time, any moneys received by this state in the form of grants from the federal government for administrative expenses which because of any action or contingency have been expended for purposes other than, or in excess of, those necessary for the proper administration of the employment security law. All moneys in the ~~special employment security contingency fund~~ shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for other special funds in the state treasury. However, interest earned upon moneys in the fund shall be deposited in and credited to the temporary emergency surcharge fund created under section 96.7, subsection 15.

The treasurer of state shall be the custodian of ~~said funds the fund~~ and shall give a separate and additional bond conditioned upon the faithful performance of ~~his or her the~~ treasurer's duties in connection with the ~~special employment security contingency fund~~ in an amount and with ~~sueh~~ sureties as shall be fixed and approved by the governor. The ~~premiums for such bonds premium for the bond~~ shall be paid from the moneys in the ~~special employment security~~

contingency fund. All sums recovered on such the bond for losses sustained by the special employment security contingency fund shall be deposited in the fund. Refunds of interest and penalties collected on or after July 1, 1970, pursuant to this chapter shall be paid only from this the fund.

Balances to the credit of the special employment security contingency fund shall not lapse at any time but shall continuously be available to the department for expenditures consistent with this subsection. However, the department shall not expend more than fifty thousand dollars from the fund in a state fiscal year beginning July 1 and ending June 30. After the end of a state fiscal year the treasurer of state shall promptly transfer the entire amount of the fund in excess of that portion of the fifty thousand dollars, which the department has expended or obligated for the preceding state fiscal year, to the temporary emergency surcharge fund, but if the treasurer of state determines that the department does not have and will not on September 30 have an outstanding balance of interest accrued on advance moneys received from the federal government for the payment of unemployment compensation benefits, the treasurer of state shall instead promptly transfer the entire excess amount to the unemployment trust fund established in section 96.9.

Sec. 2. The department of job service shall annually report to the joint regulatory and finance appropriations subcommittee on its plans for expenditures during the next state fiscal year from the special employment security contingency fund. The report shall describe the specific expenditures and explain why the expenditures are to be made from the fund and not from federal administrative funds.

Sec. 3. The department of job service may appear before the executive council and request funds to meet unanticipated emergencies.

Approved May 4, 1984