

review, consideration, and approval, and shall develop a comprehensive agricultural commodities and products promotion plan by April 1, 1990, and update the program and plan annually. The program and any accompanying recommendations of the council and the departments shall be submitted to the governor and the general assembly. The program and plan shall include, but are not limited to, the following:

a. A review of the promotional or marketing programs of the department of agriculture and land stewardship, the implementation of the programs, and recommendations to improve the programs and their implementation.

b. A review of the promotional or marketing programs of the department of economic development, the implementation of the programs, and recommendations to improve the programs and their implementation.

c. A review of the promotional programs which the two departments can jointly administer and recommendations on the implementation of the programs.

d. A review of the current division of areas of agricultural products, including but not limited to processed or value-added products and agricultural commodities.

e. A review of the products and commodities promoted by the two departments individually or jointly and any recommendations for new programs for promotions of the products or commodities.

3. The agricultural products advisory council shall seek to maximize the resources of the programs of the two departments, eliminate the unnecessary duplication of efforts, and successfully promote the state's agricultural commodities and products.

4. The agricultural products advisory council shall evaluate the current role of the private sector in promoting and marketing agricultural commodities and products and make recommendations for the utilization of the private sector programs in the state agricultural products promotion plan.

5. The agricultural products advisory council may employ or contract with a consultant or specialist to assist in developing and implementing the program and plan of the departments and the council. In the event a promotion program and plan as set forth in subsection 2 are not adopted by the council by April 1, 1990, the council shall employ or contract with a consultant or specialist to assist in the development of a promotion program and plan.

Approved May 24, 1989

CHAPTER 220

WORKER RETRAINING PROGRAMS

H.F. 550

AN ACT relating to providing assistance to retrain workers in existing businesses and providing for an evaluation of retraining programs.

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

Section 1. **NEW SECTION.** 15.291 DEFINITIONS.

As used in this part, unless the context otherwise requires:

1. "Agreement" means a written contract between the department and a participating business which provides for the retraining of participating workers in a retraining program approved by the department.

2. "Applicant" means a business or group of businesses submitting an application for approval by the department.

3. "Area school" means a vocational school or a community college established under chapter 280A.

4. "Business" means a commercial enterprise engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, conducting research and development, or providing services in interstate or intrastate commerce, but excludes retail, health, or professional services. "Business" does not include a commercial enterprise which closes or substantially reduces its operation in one area of this state and relocates substantially the same operation in another area of this state, but does include a commercial enterprise expanding its operations in another area of this state provided that existing operations of a similar nature are not closed or substantially reduced.

5. "Business production site" means a facility in which a business operates the means to manufacture, process, or assemble products or conduct research, or a center which provides services in intrastate or interstate commerce, excluding retail, health, or professional services.

6. "Department" means the Iowa department of economic development.

7. "Fund" means the Iowa employment retraining fund established under section 15.298.

8. "Job quality" means the value of an employment position to a business based on consideration of factors, including but not limited to the following:

a. The dollar value of annual wages and benefits that a worker beginning in the position earns.

b. Whether the employment position is a permanent full-time, permanent part-time, temporary full-time, or temporary part-time position. If the position is other than permanent full-time, consideration of the value of the position shall include the number of hours demanded from the position each year.

c. The number of times in the last three years that the position has been occupied.

d. The number and type of similar employment positions in the area in which the business would reasonably employ workers.

9. "Participating business" means one or more existing businesses which are parties to an agreement as provided in section 15.296.

10. "Participating worker" means a person who prior to being accepted into a retraining program is an employee of the participating business and who the department determines is substantially at risk of becoming displaced within the following ten years, due to the retooling of the business.

11. "Person" means a natural person.

12. "Retooling" means upgrading, modernizing, or expanding a business to increase the production or efficiency of business operations, including replacing equipment, introducing new manufacturing processes, or changing managerial procedures.

13. "Retraining" means the process designed to instruct participating workers in skills related to the retooled operation of the participating business and includes any of the following skills:

a. Basic academic skills, including fundamental skills of reading, computation of numbers, and written and verbal communication required to successfully function in the workplace.

b. Job specific skills, including skills required to perform tasks of a specific employment position or cluster of employment positions.

14. "Retraining agency" means an area school, or other public educational facility, private entity, or organization which provides retraining to workers.

15. "Retraining program" means a program for retraining participating workers, including a program established pursuant to section 15.297.

Sec. 2. NEW SECTION. 15.292 LEGISLATIVE FINDINGS.

The general assembly finds and declares the following:

1. The rapid retooling of Iowa businesses, including the dramatic introduction of new, highly technical manufacturing processes into Iowa industry, has contributed to increasing unemployment in the state by reducing the demand for unskilled and underskilled labor and making traditionally marketable job skills obsolete.

2. Corresponding to the increase in the number of workers displaced by the retooling of businesses, there is an increasing demand by those businesses for workers to be trained to perform new technical functions.

3. The mismatch between available labor and the needs of businesses harms the economic revitalization of the state by retarding the production and efficiency of retooling businesses, draining employer-taxed contributions to the unemployment compensation fund, diverting state public assistance resources to support displaced workers, and stifling a sense of self-worth and economic independence of affected persons.

4. The state finds it advantageous to establish an employment retraining fund administered to remedy structural imbalances in the job market and to assist employers and employees by fostering business expansion and job creation, minimizing unemployment costs to businesses, diversifying the state's economic base, supplying businesses with an available pool of workers trained to perform demand skills, providing Iowans permanent jobs, increasing the flexibility in the skills of workers, minimizing public assistance payments to displaced workers, and encouraging in affected persons a sense of self-worth and economic independence.

5. Expenditures from the Iowa employment retraining fund used to support retraining programs shall supplement financial assistance available through other state and federal programs. In addition, assistance under employment retraining programs shall not be used to replace, parallel, supplant, compete with, or duplicate assistance provided under other training programs sponsored by an employer, the state, or the federal government.

Sec. 3. NEW SECTION. 15.293 DUTIES AND POWERS OF THE IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT.

The department shall:

1. Approve, deny, or defer applications for retraining assistance and enter into retraining agreements, as provided in this chapter.

2. Refer a business seeking assistance to the area school serving the merged area in which the business proposes to retrain workers.

3. Establish minimum standards for considering applications, based on the contents of the application and selection criteria as provided in section 15.295.

4. Collect, design, and evaluate model retraining programs to assist businesses in retraining workers, and award forgivable loans, loans, grants, or a combination of loans and grants under these programs to participating businesses. To ensure the accountability of the business, before providing a grant, the department shall consider the feasibility of providing a forgivable loan.

5. Provide for the collection of loans, including interest on the loans, from participating businesses. The department shall provide for the deposit of loan repayments into the fund.

6. Administer the fund and supervise all accounting and auditing procedures related to the fund in accordance with generally accepted accounting principles.

7. Monitor retraining programs, including the supervision of the accounting and auditing of retraining program funds, to assist participating businesses.

8. Cooperate with other state and federal entities involved in worker training programs, including the department of employment services and the department of education.

9. Assess the extended impact of this chapter, in conjunction with the department of employment services, department of human services, and department of education, upon economic development in the state, including effects of retraining programs upon the unemployment rate, public assistance payments, business closings, business expansions, and the migration of workers out of and into the state.

10. Report to the governor and legislative council before the beginning of each session of the general assembly the following items:

a. The status of programs administered under this chapter.

b. The extended impact of this chapter upon economic development in the state, as required in subsection 9.

11. Adopt administrative rules pursuant to chapter 17A to implement and administer this chapter.

Sec. 4. NEW SECTION. 15.294 RETRAINING APPLICATION.

1. A business may apply for retraining assistance under this chapter by completing an application under the supervision of the area school serving the merged area in which the business proposes to retrain workers. The area school shall provide the applicant with all assistance necessary in completing the application. The area school shall submit the completed application on behalf of the business. The application shall be on forms provided by the department. Applications shall be submitted pursuant to rules adopted by the department.

2. The application shall contain business information regarding the business. Information which the business believes contains trade secrets, would give an advantage to competitors, or meets other conditions for confidential treatment as provided in section 22.7, shall be kept confidential. Business information shall be described by rules adopted by the department and shall relate to state or federal programs under which the business has applied for training assistance, the impact of implementing the applicant's retraining proposal on competing businesses in the state, the employees of the business and their employment positions, the financial condition of the business, the retooling operations in place or planned to be in place, the local union or affiliate representing the employees of the business, the type of goods or services to be produced by retooling, and any other information determined to be relevant by the department.

3. The application shall contain a retraining proposal. The contents of the proposal shall be described by rules adopted by the department and shall relate to the participating business and applicable business production site, the retraining agency to service the business, the participating workers, the jobs resulting from retraining, the program under which the business is applying for retraining assistance, the cost of retraining, the coordination of the training program with other state or federal training programs in which the business is involved, the system to monitor the retraining program, and any other item required to be included by the department.

4. The application may contain or the department may require an evaluation of the retraining proposal by the area school serving the merged area in which the retrained workers are to be employed. An evaluation shall contain pertinent information about the business, including the following:

- a. The results of an investigation of operations in the business.
- b. An assessment of the viability of the business.
- c. An assessment of the process for selecting the retraining entity.
- d. An evaluation of the value of the retraining agency.
- e. Recommendations of the value of the retraining proposal.
- f. A ratio comparing the total amount planned to be invested by the business in the actual costs of retraining to the amount of dollars being requested for retraining.
- g. Other information about the business relating to the selection criteria described in section 15.295.

Sec. 5. NEW SECTION. 15.295 APPROVAL OF APPLICATIONS.

1. The department, in reviewing an application, shall consider the contents of the application, including the business information and the retraining proposal.

2. The department shall approve, deny, or defer applications and award financial assistance based on selection criteria. The department shall score and rank the criteria according to the relative importance of the criteria. The importance assigned to each criterion shall be determined by the department. Approval, denial, or deferral of an application shall be based on, but not limited to, the following selection criteria:

- a. The total amount of dollars which have been invested in the business for the previous three years to increase productivity or efficiency, including capital improvements in retooling.
- b. The total amount of dollars planned to be invested in the business for the following three years to increase productivity or efficiency, including capital improvements in retooling.
- c. A ratio comparing the total amount of dollars invested or to be invested pursuant to paragraphs "a" and "b" plus the amount of profit in dollars made by the business in the previous three years, to the amount of dollars proposed to assist the business in retraining.

d. A ratio comparing the total amount planned to be invested by the business in the actual costs of retraining to the amount of dollars being requested for retraining. This ratio shall indicate that the business's investment amount is at least equal to the amount requested. If not the application shall be denied.

e. The quality of jobs resulting from the retraining proposal.

f. The need of the proposed business for retraining assistance.

g. The number of businesses, contained in the training proposal, applying for combined assistance.

h. The endorsement of the labor union or affiliate which represents workers proposed to participate in retraining.

i. The degree to which the product made by the business' retooling operation is new, creates new market opportunities, or diversifies the state's economy.

j. The degree to which the business' retooling operation introduces new manufacturing processes into state industry.

k. The past performance of the proposed retraining agency in training persons, by considering the placement and retention of former trainees and employer satisfaction with former trainees.

l. The result of a cost-benefit analysis which measures the value of the proposed retraining based upon job-related calculations, including but not limited to, the number of participating workers in the proposal, the cost of retraining each worker, the dollar value of wages and benefits to be earned by each retrained worker, and the market demand for the proposed retraining.

m. The procedure to evaluate the proposed retraining program and collect data required to make the evaluation, based on a procedure which monitors the retraining program, including accounting and auditing systems adequate to ensure the accuracy and reliability of expenditures recorded by the business and related to the proposed retraining.

n. The feasibility of implementing the retraining proposal.

3. Each applicant shall be notified in writing, within the time period set by rules adopted by the department, of the department's final disposition of the application.

Sec. 6. NEW SECTION. 15.296 RETRAINING AGREEMENTS.

The department shall execute agreements based on applications submitted to the department. Agreements shall be executed on forms provided by the department. Parties to an agreement shall include the department and the participating businesses named in the application's proposal, and may include any other entity approved by the department and named in the application, including a retraining agency or a labor union or affiliate representing participating workers.

Sec. 7. NEW SECTION. 15.297 RETRAINING PROGRAMS.

1. The department shall establish retraining programs to provide retraining assistance to businesses. The assistance shall include financial assistance composed of grants, loans, forgivable loans, or a combination of grants and loans. However, financial assistance shall not include a grant or forgivable loan unless the result of retooling creates, at the business production site subject to the retooling, a net increase in the number of employment positions, a net increase in the quality of the employment positions held by participating workers, or a net increase in the wages paid to participating workers. The financial assistance awarded to a participating business must be based on the actual cost of retraining participating workers under the retraining program.

2. The department shall not provide more than fifty thousand dollars of financial assistance for a retraining proposal.

Sec. 8. NEW SECTION. 15.298 RETRAINING FUND.

An Iowa employment retraining fund is created in the office of the treasurer of state to be administered by the department. The fund is a revolving fund consisting of funds appropriated to it, interest earned on appropriated funds, and moneys collected from the repayment of loans, including the interest from loans or from other sources. The moneys in the fund are appropriated to the department for the purpose of retraining workers in a retooled business.

The department shall set aside at the beginning of each fiscal year for that fiscal year the moneys in the fund for each merged area to be used to provide the financial assistance for retraining proposals of businesses located in the merged area whose applications have been approved by the department. The financial assistance shall be provided by the department from the amount set aside for that merged area. If any portion of the moneys set aside for a merged area have not been used or committed by March 1 of the fiscal year, that portion is available for use by the department to provide financial assistance to businesses located in other merged areas. The department shall adopt by rule a formula for this set aside based upon the population and per capita income of the merged area. The formula should be similar to the formula for the allocation of funds to merged areas for purchase of equipment from the jobs now capitals account of the lottery fund set out in 281 Iowa administrative code, rule 21.36 in effect on March 1, 1989.

Sec. 9. The legislative fiscal bureau shall provide to the legislative council at the first meeting of the council after July 1, 1991, an evaluation of all retraining programs administered under this chapter. The council shall refer the report to the appropriate standing committees in the house of representatives and the senate for further study.

In performing the evaluation, the legislative fiscal bureau shall have access to all records maintained by the department and area schools relating to the administration of retraining programs under this chapter. However, the legislative fiscal bureau shall keep confidential information regarding businesses as provided in section 22.7. The evaluation shall be based on the goals of this chapter. In measuring the success of the programs in meeting these goals, the legislative fiscal bureau shall consider, but is not limited to, the following:

1. The number of loans, forgivable loans, or grants provided.
2. The number of loans defaulted.
3. The average size of the business receiving retraining assistance.
4. The effect of the programs upon wages of participating workers and nonparticipating workers.
5. The effect of retraining programs on the state's economy.

Approved May 24, 1989

CHAPTER 221

BEER BREWED FOR CONSUMPTION ON THE PREMISES

H.F. 127

AN ACT to allow class "C" liquor control license holders and class "B" beer permit holders to brew beer to be served on the premises and making the barrel tax on beer applicable.

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

Section 1. Section 123.124, Code 1989, is amended to read as follows:

123.124 PERMITS — CLASSES.

Permits for the manufacture and sale, or sale of beer shall be divided into ~~three~~ four classes, and ~~shall be known as either class "A", special class "A", class "B", or class "C" permits.~~ A class "A" permit ~~shall allow~~ allows the holder to manufacture and sell beer at wholesale. A holder of a special class "A" permit may only manufacture beer to be consumed on the licensed premises for which the person also holds a class "C" liquor control license or class "B" beer permit. A class "B" permit ~~shall allow~~ allows the holder to sell beer at retail for consumption on or off the premises. A class "C" permit ~~shall allow~~ allows the holder to sell beer at retail for consumption off the premises.