

Senate File 2353

S-5158

1 Amend Senate File 2353 as follows:

2 1. By striking everything after the enacting clause  
3 and inserting:

4 <Section 1. SHORT TITLE. This Act shall be known  
5 and may be cited as the "Iowa Apprenticeship and Job  
6 Training Act".

7 Sec. 2. Section 15.108, subsection 6, paragraph a,  
8 Code 2014, is amended to read as follows:

9 a. Coordinate and perform the duties specified  
10 under the Iowa industrial new jobs training Act in  
11 chapter 260E, the Iowa ~~jobs~~ job training Act in chapter  
12 260F, and the workforce development fund in section  
13 15.341.

14 Sec. 3. Section 15.343, subsection 2, paragraph a,  
15 Code 2014, is amended to read as follows:

16 a. Projects under chapter 260F. The authority  
17 ~~shall~~ may require a match from all businesses  
18 participating in a ~~training~~ project under chapter 260F.

19 Sec. 4. Section 15.343, subsection 3, Code 2014,  
20 is amended by striking the subsection and inserting in  
21 lieu thereof the following:

22 3. a. The authority shall transfer not more than  
23 five million dollars of the moneys in the workforce  
24 development fund to the job training fund established  
25 pursuant to section 260F.6.

26 b. Moneys in the job training fund shall be  
27 allocated as provided in section 260F.6, subsection 3.

28 Sec. 5. Section 260C.18A, subsection 2, paragraph  
29 b, Code 2014, is amended by striking the paragraph and  
30 inserting in lieu thereof the following:

31 b. Projects that would meet all the requirements  
32 of a project under chapter 260F, whether or not the  
33 project is actually being funded under chapter 260F.  
34 The authority may advise a community college on how a  
35 project would be treated for purposes of chapter 260F.

36 Sec. 6. Section 260F.1, Code 2014, is amended to  
37 read as follows:

38 **260F.1 Title.**

39 This chapter shall be known and may be cited as the  
40 "~~Iowa Jobs~~ Job Training Act".

41 Sec. 7. Section 260F.2, subsections 1, 5, 6, 8, and  
42 11, Code 2014, are amended to read as follows:

43 1. "~~Agreement~~" ~~is the agreement~~ means a contract  
44 between a business and a community college the  
45 authority concerning a project.

46 5. "~~Eligible business~~" or "~~business~~" means a  
47 ~~business training employees which is engaged in~~  
48 ~~interstate or intrastate commerce for the purpose of~~  
49 ~~manufacturing, processing, or assembling products,~~  
50 ~~conducting research and development, or providing~~

1 ~~services in interstate commerce, but excludes retail,~~  
2 ~~health, or professional services and which meets the~~  
3 ~~other criteria established by the authority. "Eligible~~  
4 ~~business" does not include a business whose training~~  
5 ~~costs can be economically funded under chapter 260E,~~  
6 ~~a business which closes or substantially reduces its~~  
7 ~~employment base in order to relocate substantially~~  
8 ~~the same operation to another area of the state, or a~~  
9 ~~business which is involved in a strike, lockout, or~~  
10 ~~other labor dispute in Iowa that proposes to train~~  
11 ~~employees as part of a project and that meets all the~~  
12 ~~conditions of section 260F.3.~~

13 6. "Employee" means a person currently employed by  
14 a an eligible business or who will be employed upon  
15 successful completion of a project and who is to be  
16 trained as part of a project. However, "employee" does  
17 not include a person with executive responsibilities or  
18 a replacement workers who are worker hired as a result  
19 of a strike, lockout, or other labor dispute in Iowa.

20 8. "Participating business" means a business  
21 training employees which enters that has entered into  
22 an agreement with the community college.

23 11. "Project" means a training arrangement which  
24 that is the subject of an agreement entered into  
25 between the community college and a business to  
26 provide program services. "Project" also means an  
27 authority-sponsored training arrangement which is  
28 sponsored by the authority and administered under  
29 sections 260F.6A and 260F.6B and that is primarily  
30 focused on meeting the workforce needs of an eligible  
31 business. A project includes but is not limited  
32 to training or retraining of employees, adult basic  
33 education, job-related instruction, vocation and  
34 skill-assessment services and testing, tuition and  
35 classroom instruction for coursework at a community  
36 college or a regents institution, and training  
37 equipment, supplies, and materials. A project does  
38 not include coursework that will be counted toward an  
39 advanced or graduate degree earned by an employee.

40 Sec. 8. Section 260F.2, Code 2014, is amended by  
41 adding the following new subsections:

42 NEW SUBSECTION. 1A. "Apprentice" means a person  
43 who is at least sixteen years of age, except where a  
44 higher minimum age is required by law, who is employed  
45 in an apprenticeable occupation, and is registered in  
46 Iowa with the United States department of labor, office  
47 of apprenticeship.

48 NEW SUBSECTION. 1B. "Apprenticeable occupation"  
49 means an occupation approved for apprenticeship by  
50 the United States department of labor, office of

1 apprenticeship.

2 NEW SUBSECTION. 1C. "*Apprenticeship program*" means  
3 a program registered with the United States department  
4 of labor, office of apprenticeship, which includes  
5 the terms and conditions for the qualification,  
6 recruitment, selection, employment, and training of  
7 apprentices, including the requirement for a written  
8 apprenticeship agreement.

9 NEW SUBSECTION. 1D. "*Apprenticeship sponsor*" means  
10 an entity operating an apprenticeship program or an  
11 entity in whose name an apprenticeship program is  
12 being operated, which is registered with or approved  
13 by the United States department of labor, office of  
14 apprenticeship.

15 NEW SUBSECTION. 2A. "*Commencement date*" means the  
16 date on which a proposed project is scheduled to begin.

17 NEW SUBSECTION. 5A. "*Eligible research and*  
18 *development*" means activities that meet the definition  
19 of research activities under section 422.10 even if the  
20 business has not actually claimed a research activities  
21 tax credit.

22 NEW SUBSECTION. 6A. "*Financial assistance*" means  
23 assistance provided only from the funds, rights, and  
24 assets legally available to the authority and includes  
25 but is not limited to assistance in the form of grants,  
26 loans, forgivable loans, and royalty payments.

27 NEW SUBSECTION. 6B. "*Fund*" means the job training  
28 fund created in section 260F.6.

29 NEW SUBSECTION. 7A. "*Lead apprenticeship sponsor*"  
30 means a trade organization, labor organization,  
31 employer association, or other incorporated entity  
32 representing a group of apprenticeship sponsors.

33 NEW SUBSECTION. 11A. "*Providing services in*  
34 *interstate commerce*" means the provision of the  
35 majority of a business's sales to customers located  
36 outside of Iowa.

37 Sec. 9. Section 260F.2, subsections 4, 7, 9, and  
38 10, Code 2014, are amended by striking the subsections.

39 Sec. 10. Section 260F.3, Code 2014, is amended by  
40 striking the section and inserting in lieu thereof the  
41 following:

42 **260F.3 Eligible business.**

43 To be eligible for financial assistance for a  
44 project under this chapter, a business shall meet all  
45 of the following conditions:

46 1. Is manufacturing, processing, or assembling  
47 products for sale in interstate or intrastate commerce,  
48 is conducting eligible research and development in  
49 this state, is engaged in the business of commercial  
50 construction, or is providing services in interstate

1 commerce.

2 2. Is not a retail business, a health care  
3 business, or a business engaged in the provision of  
4 professional services.

5 3. Is proposing training for a project that cannot  
6 be economically funded under the industrial new jobs  
7 training program pursuant to chapter 260E.

8 4. Demonstrates a need for certain job skills not  
9 adequately represented among the business's existing  
10 workforce.

11 5. Has not closed or substantially reduced  
12 operations in one area of the state in order to locate  
13 substantially the same operations to another area of  
14 the state.

15 6. Is not actively engaged in a strike, lockout, or  
16 other labor dispute in Iowa.

17 7. Is not eligible to receive funding under section  
18 260F.5 either directly as an apprenticeship sponsor or  
19 as an entity participating under a lead apprenticeship  
20 sponsor.

21 8. Meets any other conditions as established by the  
22 authority by rule.

23 Sec. 11. NEW SECTION. 260F.4 **Financial assistance**  
24 **for an eligible business.**

25 1. a. An eligible business may apply to the  
26 authority for financial assistance for a project.

27 b. The authority may establish by rule a maximum  
28 benefit amount for any one project and a maximum  
29 aggregate benefit amount that may be awarded to any one  
30 eligible business.

31 2. Financial assistance to eligible businesses  
32 shall be provided under the following terms and  
33 conditions:

34 a. For training that is conducted by community  
35 college faculty or staff, at a community college  
36 facility, and according to a curriculum that complies  
37 with industry-recognized standards, the financial  
38 assistance shall be in the form of a grant or a  
39 forgivable loan in an amount equal to one hundred  
40 percent of the cost of the project.

41 b. If training in accordance with  
42 industry-recognized standards that results in a  
43 portable credential needed for a skilled trade is  
44 not available through a community college in close  
45 proximity to a business, the business can utilize a  
46 statewide industry association to facilitate training  
47 that utilizes industry-recognized standards, resulting  
48 in portable credentials for the specific skilled trade.  
49 For this type of training, the financial assistance  
50 shall be in the form of a grant or a forgivable loan in

1 an amount equal to one hundred percent of the training  
2 costs incurred.

3 c. For a project other than one described in  
4 paragraph "a" or "b", the financial assistance shall be  
5 in the form of a loan in an amount equal to one hundred  
6 percent of the cost of the project to be disbursed  
7 initially but with a required future repayment of fifty  
8 percent of the cost of the project at an interest of  
9 zero percent.

10 d. Any other terms and conditions typically  
11 required by the authority when providing financial  
12 assistance.

13 3. The authority shall deposit all repayments  
14 collected pursuant to this section in the fund and  
15 shall make the moneys available to other eligible  
16 businesses for purposes of this section.

17 4. An eligible business applying for financial  
18 assistance under this section shall provide the  
19 following information to the authority:

20 a. A detailed description of the proposed project,  
21 an explanation of how the project would meet the  
22 business's skilled workforce needs, and an assessment  
23 regarding the feasibility of meeting the training needs  
24 through a community college. The authority may require  
25 any information reasonably necessary to determine the  
26 necessity, suitability, and feasibility of the proposed  
27 project.

28 b. The date or dates on which the proposed project  
29 will be conducted.

30 c. The number of employees to be trained and the  
31 title and position description of each employee to be  
32 trained.

33 d. The estimated cost to the business of the  
34 proposed project.

35 e. Any other information the authority reasonably  
36 determines is necessary.

37 5. An eligible business receiving financial  
38 assistance pursuant to this section shall enter  
39 into an agreement with the authority regarding the  
40 project. The agreement shall include all provisions  
41 necessary for the implementation of this section and  
42 any provisions the authority typically includes in a  
43 contract for the provision of financial assistance.

44 **Sec. 12. NEW SECTION. 260F.5 Financial assistance**  
45 **for an apprenticeship program.**

46 1. a. An apprenticeship sponsor or lead  
47 apprenticeship sponsor conducting apprenticeship  
48 programs registered with the United States department  
49 of labor, office of apprenticeship, through Iowa, for  
50 apprentices who will be employed at Iowa worksites may

1 apply to the authority for financial assistance under  
2 this section.

3     *b.* Financial assistance received by an  
4 apprenticeship sponsor or lead apprenticeship sponsor  
5 under this section shall be used only for the cost of  
6 conducting and maintaining an apprenticeship program.  
7     2. The authority shall provide financial assistance  
8 to apprenticeship sponsors or lead apprenticeship  
9 sponsors in the following manner:

10     *a.* By determining the total amount of funding  
11 allocated for purposes of apprenticeship programs  
12 pursuant to section 260F.6.

13     *b.* By adding together all of the following:

14         (1) The total number of apprentices trained by all  
15 applying apprenticeship sponsors or lead apprenticeship  
16 sponsors during the most recent training year as  
17 calculated on the last day of the training year.

18         (2) The total number of contact hours that  
19 apprenticeship instructors for all applying  
20 apprenticeship sponsors or lead apprenticeship  
21 sponsors spent in contact with apprentices during  
22 the most recent training year. For purposes of this  
23 subparagraph, "*contact hours*" includes the time spent  
24 instructing apprentices in person or, in the case of  
25 a lead apprenticeship sponsor with programs totaling  
26 one hundred or more total instructional hours, "*contact*  
27 *hours*" includes the time spent in online training if  
28 the total amount of online instruction does not account  
29 for more than thirty percent of the total instructional  
30 hours.

31     *c.* By adding together all of the following:

32         (1) The total number of apprentices trained by  
33 a single applying apprenticeship sponsor or lead  
34 apprenticeship sponsor during the most recent training  
35 year as calculated on the last day of the training  
36 year.

37         (2) The total number of contact hours that  
38 apprenticeship instructors for a single applying  
39 apprenticeship sponsor or lead apprenticeship  
40 sponsor spent in contact with apprentices during  
41 the most recent training year. For purposes of this  
42 subparagraph, "*contact hours*" includes the time spent  
43 instructing apprentices in person or, in the case of  
44 a lead apprenticeship sponsor with programs totaling  
45 one hundred or more total instructional hours, "*contact*  
46 *hours*" includes the time spent in online training if  
47 the total amount of online instruction does not account  
48 for more than thirty percent of the total instructional  
49 hours.

50     *d.* By determining the proportion, stated as a

1 percentage, that a single applying apprenticeship  
2 sponsor's or lead apprenticeship sponsor's total  
3 calculated pursuant to paragraph "c" bears to  
4 all applying apprenticeship sponsors' or lead  
5 apprenticeship sponsors' total calculated pursuant to  
6 paragraph "b".

7 e. By multiplying the percentage calculated in  
8 paragraph "d" by the amount determined in paragraph  
9 "a".

10 3. An apprenticeship sponsor or lead apprenticeship  
11 sponsor seeking financial assistance under this  
12 section shall provide the following information to the  
13 authority:

14 a. The federal apprentice registration number of  
15 each apprentice in the apprenticeship program.

16 b. The address and a description of the physical  
17 location where in-person training is conducted.

18 c. A certification of the apprenticeship sponsor's  
19 training standards as most recently approved by  
20 the United States department of labor, office of  
21 apprenticeship or, in the case of a lead apprenticeship  
22 sponsor, a representative sample of participating  
23 members' training standards.

24 d. A certification of the apprenticeship sponsor's  
25 compliance review or quality assessment as most  
26 recently conducted by the United States department  
27 of labor, office of apprenticeship, unless the  
28 apprenticeship sponsor has not been subjected to  
29 a compliance review or quality assessment. In the  
30 case of a lead apprenticeship sponsor, a sampling  
31 of compliance reviews or quality assessments from  
32 participating members shall be sufficient.

33 e. Any other information the authority reasonably  
34 determines is necessary.

35 4. The apprenticeship sponsor or lead  
36 apprenticeship sponsor and the authority shall  
37 enter into an agreement regarding the provision of any  
38 financial assistance to the apprenticeship sponsor or  
39 lead apprenticeship sponsor.

40 Sec. 13. Section 260F.6, subsection 1, Code 2014,  
41 is amended to read as follows:

42 1. ~~There is established for the community colleges~~  
43 a A job training fund is created in the state treasury  
44 under the control of the economic development authority  
45 in the workforce development fund. The job training  
46 fund consists consisting of any moneys appropriated for  
47 the purposes of this chapter, plus the any interest and  
48 principal from repayment of advances made to businesses  
49 for program costs, plus the or earnings on moneys in  
50 the fund, any repayments, including interest, of loans

1 ~~made from that retraining fund, and interest earned~~  
2 ~~from moneys in the job training fund or recaptures of~~  
3 ~~financial assistance provided from the fund, and any~~  
4 ~~other moneys lawfully available to the authority that~~  
5 ~~may be deposited in the fund.~~

6 Sec. 14. Section 260F.6, subsections 2 and 3, Code  
7 2014, are amended by striking the subsections and  
8 inserting in lieu thereof the following:

9 2. Moneys in the fund are appropriated to the  
10 authority for purposes of providing financial  
11 assistance for job training pursuant to this chapter.

12 3. a. Of the moneys transferred or appropriated to  
13 the fund pursuant to section 15.343 or pursuant to any  
14 other appropriation, the authority shall allocate forty  
15 percent of the moneys for purposes of section 260F.4  
16 and sixty percent of the moneys for purposes of section  
17 260F.5.

18 b. Notwithstanding paragraph "a", moneys from  
19 repayments and recaptures of funds loaned pursuant  
20 to section 260F.4 shall be allocated for purposes of  
21 section 260F.4.

22 Sec. 15. Section 260F.6, Code 2014, is amended by  
23 adding the following new subsection:

24 NEW SUBSECTION. 4. The authority may annually  
25 expend not more than two percent of moneys in the  
26 fund for administrative purposes. If the authority's  
27 administrative costs are less than two percent of the  
28 moneys in the fund, the authority shall expend the  
29 unused moneys for purposes of financial assistance.

30 Sec. 16. Section 403.21, subsections 1 and 3, Code  
31 2014, are amended to read as follows:

32 1. In order to promote communication and  
33 cooperation among cities, counties, and community  
34 colleges with respect to the allocation and division  
35 of taxes, no jobs training projects as defined in  
36 chapter 260E ~~or 260F~~ shall be undertaken within the  
37 area of operation of a municipality after July 1, 1995,  
38 unless the municipality and the community college  
39 have entered into an agreement or have jointly adopted  
40 a plan relating to a community college's new jobs  
41 training program which shall provide for a procedure  
42 for advance notification to each affected municipality,  
43 for exchange of information, for mutual consultation,  
44 and for procedural guidelines for all such new jobs  
45 training projects, including related project financing  
46 to be undertaken within the area of operation of the  
47 municipality. The joint agreement or the plan shall  
48 state its precise duration and shall be binding on the  
49 community college and the municipality with respect  
50 to all new jobs training projects, including related

1 project financing undertaken during its existence.  
2 The joint agreement or plan shall be effective upon  
3 adoption and shall be placed on file in the office  
4 of the secretary of the board of directors of the  
5 community college and such other location as may be  
6 stated in the joint agreement or plan. The joint  
7 agreement or plan shall also be sent to each school  
8 district which levied or certified for levy a property  
9 tax on any portion of the taxable property located  
10 in the area of operation of the municipality in the  
11 fiscal year beginning prior to the calendar year in  
12 which the plan is adopted or the agreement is reached.  
13 If no such agreement is reached or plan adopted, the  
14 community college shall not use incremental property  
15 tax revenues to fund jobs training projects within the  
16 area of operation of the municipality. Agreements  
17 entered into between a community college and a city or  
18 county pursuant to chapter 28E shall not apply.

19 ~~3. The community college shall send a copy of the~~  
20 ~~final agreement prepared pursuant to section 260F.3 to~~  
21 ~~the economic development authority. For each year in~~  
22 ~~which incremental property taxes are used to retire~~  
23 ~~debt service on a jobs training advance issued for~~  
24 ~~a project creating new jobs, the community college~~  
25 ~~shall provide to the economic development authority a~~  
26 ~~report of the incremental property taxes and new jobs~~  
27 ~~credits from withholding generated for that year, a~~  
28 ~~specific description of the training conducted, the~~  
29 ~~number of employees provided program services under the~~  
30 ~~project, the median wage of employees in the new jobs~~  
31 ~~in the project, and the administrative costs directly~~  
32 ~~attributable to the project.~~

33 Sec. 17. Section 558.1, Code 2014, is amended to  
34 read as follows:

35 **558.1 "Instruments affecting real estate" defined —**  
36 **revocation.**

37 All instruments containing a power to convey, or in  
38 any manner relating to real estate, including certified  
39 copies of petitions in bankruptcy with or without the  
40 schedules appended, of decrees of adjudication in  
41 bankruptcy, and of orders approving trustees' bonds  
42 in bankruptcy, and a jobs training agreement entered  
43 into under chapter 260E ~~or 260F~~ between an employer  
44 and community college which contains a description  
45 of the real estate affected, shall be held to be  
46 instruments affecting the same; and no such instrument,  
47 when acknowledged or certified and recorded as in this  
48 chapter prescribed, can be revoked as to third parties  
49 by any act of the parties by whom it was executed,  
50 until the instrument containing such revocation is

1 acknowledged and filed for record in the same office  
2 in which the instrument containing such power is  
3 recorded, except that uniform commercial code financing  
4 statements and financing statement changes as provided  
5 in chapter 554 need not be thus acknowledged.

6 Sec. 18. REPEAL. Sections 260F.6A, 260F.6B,  
7 260F.7, and 260F.8, Code 2014, are repealed.

8 Sec. 19. TRANSITION PROVISIONS.

9 1. A financial assistance award made or provided  
10 for in an agreement entered into pursuant to section  
11 260F.3 prior to the effective date of this Act shall  
12 continue as provided in such agreement.

13 2. Loan payments or repayments and recaptures of  
14 principal, interest, or other moneys accruing on or  
15 after July 1, 2014, pursuant to an agreement under  
16 section 260F.3, as in effect prior to July 1, 2014,  
17 shall be transferred to the job training fund created  
18 in section 260F.6, as amended by this Act.>

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JAKE CHAPMAN