

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
WORKFORCE DEVELOPMENT BILL)

A BILL FOR

1 An Act relating to workforce training, unemployment insurance,
2 adult education, and other functions and programs of
3 the department of workforce development, the workforce
4 development board, and local workforce development boards,
5 and making appropriations.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

FUNCTIONS OF DEPARTMENT OF WORKFORCE DEVELOPMENT, WORKFORCE DEVELOPMENT BOARD, AND LOCAL WORKFORCE DEVELOPMENT BOARDS

Section 1. Section 15H.9, subsection 2, Code 2025, is amended to read as follows:

2. The commission may adopt rules pursuant to chapter 17A for approving Iowa national service corps programs and national service positions. Existing programs and service positions, including those established through the AmeriCorps programs in Iowa created pursuant to 42 U.S.C. §12501, Senior Corps and AmeriCorps vista in Iowa created pursuant to 42 U.S.C. §4950 et seq., the Iowa summer youth corps program created pursuant to section 15H.5, the Iowa green corps program created pursuant to section 15H.6, the Iowa reading corps program created pursuant to section 15H.7, and the RefugeeRISE AmeriCorps program created pursuant to section 15H.8, ~~and the Iowa conservation corps created pursuant to section 84A.7,~~ are part of the Iowa national service corps programs and national service positions.

Sec. 2. Section 84A.1, subsection 1, Code 2025, is amended to read as follows:

1. The department of workforce development is created to administer the laws of this state relating to unemployment compensation insurance, and job placement and training, ~~employment safety, labor standards, and workers' compensation.~~

Sec. 3. Section 84A.1A, subsection 6, Code 2025, is amended by striking the subsection and inserting in lieu thereof the following:

6. The workforce development board may establish standing committees of the board in the bylaws of the board.

Sec. 4. Section 84A.1A, subsection 7, paragraph a, Code 2025, is amended by striking the paragraph and inserting in lieu thereof the following:

a. All documents required by current federal workforce rules and regulations.

Sec. 5. Section 84A.1B, unnumbered paragraph 1, Code 2025,

1 is amended to read as follows:

2 ~~The~~ In addition to the duties outlined in current federal
3 workforce rules and regulations, the workforce development
4 board shall do ~~all~~ of the following:

5 Sec. 6. Section 84A.1B, subsections 1, 2, 3, 5, 6, 7, 8,
6 9, 10, 11, 12, and 15, Code 2025, are amended by striking the
7 subsections.

8 Sec. 7. Section 84A.1B, subsection 13, Code 2025, is amended
9 by striking the subsection and inserting in lieu thereof the
10 following:

11 13. Assist the governor in the designation of local
12 workforce development areas or regions as outlined in current
13 federal workforce rules and regulations.

14 Sec. 8. Section 84A.3, Code 2025, is amended by striking the
15 section and inserting in lieu thereof the following:

16 **84A.3 Local workforce development plans.**

17 1. A local workforce development board shall, in
18 partnership with the chief elected official, develop a local
19 workforce development plan in accordance with current federal
20 workforce laws, rules, and regulations. The local workforce
21 development board shall submit the workforce development plan
22 to the department of workforce development for review and
23 approval in the manner and form determined by the department.

24 2. All local workforce plan modifications shall be
25 submitted to the department of workforce development for
26 review and approval in the manner and form determined by the
27 department. Modifications to the local workforce development
28 plan must be developed in accordance with current federal
29 workforce laws, rules, and regulations.

30 3. The local workforce development plan and modifications
31 shall include the contents required by current federal
32 workforce laws, rules, and regulations, and such other
33 information as the department of workforce development or the
34 state workforce development board may require.

35 Sec. 9. Section 84A.5, subsection 1, paragraph a, Code 2025,

1 is amended to read as follows:

2 *a.* The workforce development system shall strive to
3 provide high quality services to its customers including
4 workers, families, and businesses. The department of workforce
5 development shall maintain a common intake, assessment, and
6 customer tracking system and to the extent practical provide
7 one-stop services to customers at workforce development centers
8 and other service access points. ~~The department of workforce~~
9 ~~development shall administer a statewide standard skills~~
10 ~~assessment to assess the employability skills of adult workers~~
11 ~~statewide and shall instruct appropriate department staff in~~
12 ~~the administration of the assessment. The assessment shall~~
13 ~~be included in the one-stop services provided to customers at~~
14 ~~workforce development centers and other service access points~~
15 ~~throughout the state.~~

16 Sec. 10. Section 84A.5, subsection 5, paragraphs a, b, and
17 c, Code 2025, are amended by striking the paragraphs.

18 Sec. 11. Section 84A.5, subsection 7, Code 2025, is amended
19 by striking the subsection.

20 Sec. 12. Section 84A.5, subsection 10, Code 2025, is amended
21 to read as follows:

22 10. ~~The department of education, in collaboration with the~~
23 ~~department of workforce development,~~ is responsible for the
24 development and oversight of industry and sector partnerships
25 in the state.

26 Sec. 13. Section 84A.6, subsection 4, Code 2025, is amended
27 by striking the subsection.

28 Sec. 14. Section 97B.1A, subsection 8, paragraph b,
29 subparagraph (8), Code 2025, is amended by striking the
30 subparagraph.

31 Sec. 15. Section 256.228, subsection 4, paragraph d, Code
32 2025, is amended by striking the paragraph and inserting in
33 lieu thereof the following:

34 *d.* In collaboration with the department of workforce
35 development and the department of education, compile an annual

1 report, in an aggregate form to protect the confidentiality
2 of each eligible program's participants, that includes the
3 number of students receiving scholarships under this section,
4 the number of students receiving grants under section 256.229,
5 the number of scholarship and grant recipients completing
6 a program of study or major annually and in the prescribed
7 time frame under this section or section 256.229, the number
8 of eligible institutions participating in the scholarship
9 and grant programs established under this section or section
10 256.229, the number of written agreements entered into by the
11 volunteer mentor program under section 15H.10, statistics on
12 employment outcomes for future ready Iowa skilled workforce
13 last-dollar scholarship and future ready Iowa skilled workforce
14 grant program participants by industry, and other data as
15 may be deemed pertinent by the commission, the department of
16 workforce development, or the department of education. The
17 commission shall submit the report to the governor and the
18 general assembly annually by January 15.

19 Sec. 16. Section 256.229, subsection 4, paragraph d, Code
20 2025, is amended to read as follows:

21 ~~d. Transmit to the department of workforce development~~ Use
22 the compilation of information, data, and statistics submitted
23 in accordance with subsection 1, paragraph "c", subparagraph
24 (6), ~~for~~ to compile the annual report required under section
25 ~~84A.1B 256.228, subsection 4, paragraph "d"~~.

26 Sec. 17. REPEAL. Sections 84A.7, 84A.8, 84A.9, 84A.10, and
27 84A.11, Code 2025, are repealed.

28 DIVISION II

29 UNEMPLOYMENT INSURANCE — TAXABLE WAGES

30 Sec. 18. Section 96.1A, subsection 36, unnumbered paragraph
31 1, Code 2025, is amended to read as follows:

32 "*Taxable wages*" means an amount of wages upon which an
33 employer is required to contribute based upon wages ~~which~~
34 that have been paid in this state during a calendar year to
35 an individual by an employer or the employer's predecessor.

1 ~~in this state or another state which extends a like comity to~~
2 ~~this state, with respect to employment,~~ upon which the employer
3 is required to contribute, which equals the greater of the
4 following:

5 DIVISION III

6 IOWA STUDENT INTERNSHIP PROGRAM

7 Sec. 19. Section 84A.21, Code 2025, is amended to read as
8 follows:

9 **84A.21 Iowa student internship program.**

10 1. As used in this section, unless the context otherwise
11 requires:

12 ~~a. "Innovative business" means the same as defined in~~
13 ~~section 15E.52~~ "Department" means the department of workforce
14 development.

15 ~~b. "Internship" means temporary employment of a student that~~
16 ~~focuses on providing the student with work experience in the~~
17 ~~student's field of study.~~

18 ~~c. "Iowa student" means a student of an Iowa community~~
19 ~~college, private college, or institution of higher learning~~
20 ~~under the control of the state board of regents, or a student~~
21 ~~who graduated from high school in Iowa but now attends an~~
22 ~~institution of higher learning outside the state of Iowa.~~

23 2. ~~a. The department of workforce development shall~~
24 ~~establish and administer an internship program with two~~
25 ~~components for Iowa students. To the extent permitted by~~
26 ~~this section, the department of workforce development shall~~
27 ~~administer the two components in as similar a manner as~~
28 ~~possible.~~

29 ~~b. The purpose of the first component of the program is~~
30 ~~to link Iowa students to small and medium-sized Iowa firms~~
31 ~~through internship opportunities. An Iowa employer may receive~~
32 ~~financial assistance on a matching basis for a portion of the~~
33 ~~wages paid to an intern. If providing financial assistance,~~
34 ~~the department of workforce development shall provide the~~
35 ~~assistance on a reimbursement basis such that for every two~~

~~1 dollars of wages earned by the student, one dollar paid by
2 the employer is matched by one dollar from the department of
3 workforce development. The amount of financial assistance
4 shall not exceed three thousand one hundred dollars for any
5 single internship, or nine thousand three hundred dollars
6 for any single employer. In order to be eligible to receive
7 financial assistance, the employer must have five hundred
8 or fewer employees and must be an innovative business. The
9 department of workforce development shall encourage youth who
10 reside in economically distressed areas, youth adjudicated to
11 have committed a delinquent act, and youth transitioning out
12 of foster care to participate in the first component of the
13 internship program.~~

14 ~~e.~~ (1) The purpose of the second component of the program
15 is to assist in placing Iowa students studying in the fields
16 of science, technology, engineering, and mathematics into
17 internships that lead to permanent positions with Iowa
18 employers. The department of workforce development shall
19 collaborate with eligible employers, including but not limited
20 to innovative businesses, to ensure that the interns hired
21 are studying in such fields. An Iowa employer may receive
22 financial assistance on a matching basis for a portion of the
23 wages paid to an intern. If providing financial assistance,
24 the department of workforce development shall provide the
25 assistance on a reimbursement basis such that for every two
26 dollars of wages earned by the student, one dollar paid by
27 the employer is matched by one dollar from the department of
28 workforce development. The amount of financial assistance
29 shall not exceed five thousand dollars per internship.
30 The department of workforce development may adopt rules
31 to administer this component section. In adopting rules
32 to administer this component, the department of workforce
33 development shall adopt rules as similar as possible to those
34 adopted pursuant to paragraph "b".

35 (2) The requirement to administer this component of the

1 internship program is contingent upon the provision of funding
2 for such purposes by the general assembly.

3 3. a. An Iowa student internship fund is created in the
4 state treasury under the control of the department ~~of workforce~~
5 ~~development~~. The fund shall consist of moneys appropriated to
6 the department ~~of workforce development~~ and any other moneys
7 available to, obtained, or accepted by the department ~~of~~
8 ~~workforce development~~ for placement in the fund.

9 b. Payments of interest, repayments of moneys loaned
10 pursuant to this section, and recaptures of financial
11 assistance shall be credited to the fund. Moneys in the fund
12 are not subject to section 8.33. Notwithstanding section
13 12C.7, interest or earnings on moneys in the fund shall be
14 credited to the fund.

15 c. Moneys in the fund are appropriated to the department
16 ~~of workforce development~~ and, with the approval of the Iowa
17 workforce development board, shall be used to increase the
18 availability of skilled workers in innovative businesses, by
19 providing Iowa student internship opportunities. Such moneys
20 shall not be used for the support of retail businesses, health
21 care businesses, or other businesses requiring a professional
22 license.

23 Sec. 20. APPROPRIATION — IOWA STUDENT INTERNSHIP
24 FUND. There is appropriated from the general fund of the state
25 to the department of workforce development for the fiscal year
26 beginning July 1, 2025, and ending June 30, 2026, the following
27 amount, or so much thereof as is necessary, to be used for the
28 purposes designated:

29 For deposit in the Iowa student internship fund created in
30 section 84A.21:
31 \$ 1,039,425

32 DIVISION IV

33 ADULT EDUCATION AND LITERACY PROGRAMS

34 Sec. 21. Section 84A.5, subsection 5, paragraph n, Code
35 2025, is amended to read as follows:

1 n. Adult education and literacy programs ~~with community~~
2 ~~colleges~~ under section 84A.19.

3 Sec. 22. Section 84A.19, Code 2025, is amended to read as
4 follows:

5 **84A.19 Adult education and literacy programs.**

6 1. For purposes of this section, unless the context
7 otherwise requires:

8 a. ~~"Adult education and literacy programs"~~, "adult education
9 and literacy programs" means adult basic education, adult
10 education leading to a high school equivalency diploma under
11 chapter 259A, English as a second language instruction, and
12 workplace and family literacy instruction.

13 b. ~~"Community colleges"~~ means the same as defined in section
14 ~~260C.2.~~

15 2. The department of workforce development ~~and community~~
16 ~~colleges~~ shall jointly implement adult education and literacy
17 programs to assist adults and youths sixteen years of age and
18 older who are not in school in obtaining the knowledge and
19 skills necessary for further education, work, and community
20 involvement.

21 3. The department of workforce development, ~~in consultation~~
22 ~~with community colleges~~, shall prescribe standards for adult
23 education and literacy programs including but not limited
24 to contextualized and integrated instruction, assessments,
25 instructor qualification and professional development, data
26 collection and reporting, and performance benchmarks.

27 4. The department of workforce development, ~~in consultation~~
28 ~~with community colleges~~, shall adopt rules pursuant to chapter
29 17A to administer this section.

30 EXPLANATION

31 The inclusion of this explanation does not constitute agreement with
32 the explanation's substance by the members of the general assembly.

33 This bill relates to workforce training, unemployment
34 insurance, adult education, and other functions and programs
35 of the department of workforce development (department), the

1 workforce development board, and local workforce development
2 boards.

3 DIVISION I — FUNCTIONS OF DEPARTMENT OF WORKFORCE
4 DEVELOPMENT, WORKFORCE DEVELOPMENT BOARD, AND LOCAL WORKFORCE
5 DEVELOPMENT BOARDS. This division strikes department duties
6 relating to administering a statewide employment skills
7 assessment, selection of service providers, establishing a job
8 posting system of education-related job openings, and functions
9 no longer under the department pursuant to 2023 Iowa Acts,
10 Senate File 514.

11 The division repeals Code provisions for the Iowa
12 conservation corps, the workforce investment program, the
13 statewide mentoring program, the new employment opportunity
14 program, and the nursing workforce data clearinghouse.

15 The division generally transfers duties relating to
16 compiling an annual report for submission to the governor and
17 general assembly on various workforce training programs from
18 the department to the college student aid commission.

19 The division strikes requirements for the department to
20 collaborate with specified education-related entities when
21 performing certain duties.

22 The division strikes detailed language relating to duties
23 of the workforce development board concerning standing
24 committees, public availability of information, comprehensive
25 state workforce development plans, recommendations on the use
26 of federal funds, and various other duties. The division
27 generally provides that such duties shall be carried out as
28 required by federal law. The division similarly modifies
29 duties of local workforce development boards relating to local
30 workforce development plans.

31 DIVISION II — UNEMPLOYMENT INSURANCE — TAXABLE WAGES.
32 This division modifies the definition of "taxable wages"
33 for purposes of unemployment insurance taxes on employers
34 by eliminating the wages paid to an employee from another
35 state from the calculation of wages upon which an employer is

1 required to contribute to the unemployment compensation fund
2 when the other state extends a like comity (reciprocity) to
3 Iowa for employment purposes. The division specifies that only
4 wages paid in Iowa can constitute taxable wages.

5 DIVISION III — IOWA STUDENT INTERNSHIP PROGRAM. This
6 division strikes one of two components of the Iowa student
7 internship program administered by the department. The
8 component providing for financial assistance to link Iowa
9 students to small and medium-sized Iowa firms is stricken.
10 The component providing for financial assistance to place
11 Iowa students studying in the fields of science, technology,
12 engineering, and mathematics into internships that lead to
13 permanent positions with Iowa employers is retained.

14 The division appropriates \$1,039,425 from the general fund
15 to the department for the Iowa student internship fund. Moneys
16 in the fund are used to increase the availability of skilled
17 workers in innovative businesses by providing Iowa student
18 internship opportunities.

19 DIVISION IV — ADULT EDUCATION AND LITERACY PROGRAMS. Under
20 current law, the department and community colleges are required
21 to implement and set standards for certain adult education
22 and literacy programs. This division strikes references to
23 community colleges so that only the department has these
24 duties.