



[HF 2321](#) – Unemployment Compensation, Workforce Development Department (LSB5282HV)
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Fiscal Note Version – New

Description

[House File 2321](#) specifies the Iowa Department of Workforce Development (IWD) will pay the actual cost of criminal history checks and an applicant for employment with the IWD and employees of the IWD will be subject to a possible national criminal history check through the Federal Bureau of Investigation at the discretion of the IWD.

The Bill provides that a reduction in unemployment benefits due to pension payments received will only occur if the claimant's base period employer has made 100.0% of the contributions to the pension plan. The Bill further provides that vacation pay paid out to an employee will only be considered wages for purposes of unemployment benefits for a maximum of five workdays.

The Bill also permits the IWD, in its discretion, to require a nonprofit organization employing 15 or more full-time individuals that elects to become liable for payments reimbursing the Unemployment Trust Fund for unemployment benefits in lieu of contributions to the Trust Fund, to file with the IWD a bond or security approved by the IWD.

Assumptions

- The IWD will have performed criminal history checks on a total of 15 employees and applicants the first year (FY 2019) and a total of five employees and applicants each subsequent year, beginning with FY 2020.
- The average cost for each check will be \$100.
- The total one-time cost of supplies to start the criminal history checks will be \$250.

Fiscal Impact

Criminal history checks will result in FY 2019 expenditures totaling an estimated \$1,750 (\$250 for supplies and \$1,500 for criminal history checks) and \$500 each subsequent year for criminal history checks paid from the Unemployment Insurance Federal Base Grant in the Integrity Bureau.

The changes related to pension and vacation pay deductibility will permit the IWD to reallocate an estimated 2.9 Workforce Advisor FTE positions and \$150,000 in salary expenses paid from the Unemployment Insurance Federal Base Grant in the Benefits Bureau.

Providing the IWD with discretion to require specified nonprofit organizations to file a bond or security will have no significant impact on operational costs or Trust Fund payments.

Sources

Iowa Department of Workforce Development

/s/ Holly M. Lyons

February 19, 2018

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
