



TERRY E. BRANSTAD  
GOVERNOR

**OFFICE OF THE GOVERNOR**

KIM REYNOLDS  
LT. GOVERNOR

May 27, 2016

The Honorable Paul Pate  
Secretary of State of Iowa  
State Capitol Building  
LOCAL

Dear Mr. Secretary:

I hereby transmit:

Senate File 2313, an Act relating to employment services programs administered by the department of workforce development by providing for conformity with federal law concerning the workforce development board, authorizing the department to carry out certain actions relating to the unemployment insurance program, making an appropriation, and including effective date provisions.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in blue ink that reads "Terry E. Branstad".

Terry E. Branstad  
Governor

cc: Secretary of the Senate  
Clerk of the House



Senate File 2313

AN ACT

RELATING TO EMPLOYMENT SERVICES PROGRAMS ADMINISTERED BY THE DEPARTMENT OF WORKFORCE DEVELOPMENT BY PROVIDING FOR CONFORMITY WITH FEDERAL LAW CONCERNING THE WORKFORCE DEVELOPMENT BOARD, AUTHORIZING THE DEPARTMENT TO CARRY OUT CERTAIN ACTIONS RELATING TO THE UNEMPLOYMENT INSURANCE PROGRAM, MAKING AN APPROPRIATION, AND INCLUDING EFFECTIVE DATE PROVISIONS.

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

DIVISION I

CONFORMITY WITH FEDERAL WORKFORCE INNOVATION AND OPPORTUNITY ACT

Section 1. Section 84A.1A, subsection 1, unnumbered paragraph 1, Code 2016, is amended to read as follows:

An Iowa workforce development board is created, consisting of nine voting members appointed by the governor and ~~twelve~~ sixteen ex officio, nonvoting members.

Sec. 2. Section 84A.1A, subsection 1, paragraph b, Code 2016, is amended to read as follows:

*b.* The ex officio, nonvoting members are four legislative members; one president, or the president's designee, of the university of northern Iowa, the university of Iowa, or Iowa state university of science and technology, designated by the state board of regents on a rotating basis; one representative from the largest statewide public employees' organization representing state employees; one president, or

the president's designee, of an independent Iowa college, appointed by the Iowa association of independent colleges and universities; one superintendent, or the superintendent's designee, of a community college, appointed by the Iowa association of community college presidents; one representative of the vocational rehabilitation community appointed by the state rehabilitation council in the division of Iowa vocational rehabilitation services; one representative of the department of education appointed by the state board of education; one representative of the economic development authority appointed by the director; one representative of the department for the blind appointed by the director; one representative of the department on aging appointed by the director; one representative of the department of corrections appointed by the director; one representative of the department of human services appointed by the director; and one representative of the United States department of labor, office of apprenticeship. The legislative members are two state senators, one appointed by the president of the senate after consultation with the majority leader of the senate, and one appointed by the minority leader of the senate from their respective parties; and two state representatives, one appointed by the speaker of the house of representatives after consultation with the majority leader of the house of representatives, and one appointed by the minority leader of the house of representatives from their respective parties. The legislative members shall serve for terms as provided in section 69.16B.

Sec. 3. Section 84A.1A, Code 2016, is amended by adding the following new subsection:

NEW SUBSECTION. 6. a. The workforce development board may designate and direct the activities of standing committees of the workforce development board to provide information and to assist the workforce development board in carrying out its duties. Such standing committees shall be chaired by a member of the workforce development board or a designee of the workforce development board, may include other members of the workforce development board, and shall include other individuals appointed by the workforce development board who

are not members of the workforce development board and who the workforce development board determines have appropriate experience and expertise. At minimum, the workforce development board shall designate each of the following:

(1) A standing committee to provide information and assist with operational and other issues relating to the state workforce development system.

(2) A standing committee to provide recommendations regarding policies, procedures, and proven and promising practices regarding workforce development programs, services, and activities.

(3) A standing committee to provide information and to assist with issues relating to the provision of services to youth. The standing committee shall include community-based organizations with a demonstrated record of success in serving eligible youth.

(4) A standing committee to provide information and to assist with issues relating to the provision of services to individuals with disabilities, including issues relating to compliance with applicable state and federal nondiscrimination laws regarding the provision of programmatic and physical access to the services, programs, and activities of the state workforce development system, as well as appropriate training for staff on providing supports for or accommodations to, and finding employment opportunities for, individuals with disabilities.

b. The workforce development board may designate standing committees in addition to the standing committees specified in paragraph "a".

Sec. 4. Section 84A.1B, subsections 1, 3, 7, and 8, Code 2016, are amended to read as follows:

1. Develop and coordinate the implementation of a ~~twenty-year~~ four-year comprehensive workforce development plan of specific needs, goals, ~~objectives~~ strategies, and policies for the state. This plan shall be updated annually every two years and revised as necessary. All other state agencies involved in workforce development activities and the ~~regional advisory~~ local workforce development boards ~~for workforce development~~ shall annually submit to the board for

its review and potential inclusion in the plan their needs, goals, ~~objectives~~ strategies, and policies.

3. Develop a method of evaluation of the attainment of needs and goals and ~~objectives~~ from pursuing the strategies and policies of the ~~five-year and twenty-year plans~~ four-year plan.

7. Review grants or contracts awarded by the department of workforce development, with respect to the department's adherence to the guidelines and procedures and the impact on the ~~five-year strategic~~ four-year plan for workforce development.

8. Make recommendations concerning the use of federal funds received by the department of workforce development with respect to the ~~five-year and twenty-year workforce development plans~~.

Sec. 5. Section 84A.1B, subsection 2, Code 2016, is amended by striking the subsection and inserting in lieu thereof the following:

2. Develop and coordinate the implementation of statewide workforce development policies, procedures, and guidance to align the state's workforce development programs and activities in an integrated and streamlined state workforce development system that is data driven and responsive to the needs of workers, job seekers, and employers.

Sec. 6. Section 84A.1B, Code 2016, is amended by adding the following new subsections:

NEW SUBSECTION. 10. Develop and coordinate strategies for technological improvements to facilitate access to, and improve the quality of, the state's workforce development services, including all of the following:

a. Enhance digital literacy skills as defined in 20 U.S.C. §9101.

b. Accelerate the acquisition of skills and recognized postsecondary credentials by participants.

c. Strengthen the professional development of providers and workforce professionals.

d. Ensure such technology is accessible to individuals with disabilities and individuals residing in remote areas.

NEW SUBSECTION. 11. Develop and coordinate strategies for aligning technology and data systems across state agencies

in order to improve the integration and coordination of the delivery of workforce development services.

NEW SUBSECTION. 12. Identify and disseminate information on proven and promising practices for meeting the needs of workers, job seekers, and employers, including but not limited to proven and promising practices for the effective operation of workforce centers and systems; the development of effective local workforce development boards; the development of effective training programs; effective engagement with stakeholders in the state's workforce development system; effective engagement with employers; and increasing access to workforce services for all Iowans, in particular for individuals with a barrier to employment as defined in the federal Workforce Innovation and Opportunity Act, Pub. L. No. 113-128, section 3(24).

NEW SUBSECTION. 13. Develop and coordinate the implementation of allocation formulas for the distribution of funds available for employment and training activities in local workforce development areas under the federal Workforce Innovation and Opportunity Act, Pub. L. No. 113-128, sections 128(b)(3) and 133(b)(3).

NEW SUBSECTION. 14. Provide recommendations to the governor regarding the certification of local workforce development boards.

NEW SUBSECTION. 15. Develop and coordinate the analysis of labor market information in order to identify in-demand industries and occupations.

NEW SUBSECTION. 16. Make recommendations to the governor regarding the designation of local workforce development areas and regions in the state under the federal Workforce Innovation and Opportunity Act, Pub. L. No. 113-128, section 106.

NEW SUBSECTION. 17. Make recommendations to the general assembly and governor regarding workforce development services, programs, and activities.

Sec. 7. Section 84A.4, subsections 1 and 3, Code 2016, are amended to read as follows:

1. A ~~regional advisory~~ local workforce development board shall be established in each service delivery area as defined in section 84B.2. The voting members of ~~the~~ each board shall

be appointed by the governor, consistent with the requirements of federal law and in consultation with chief elected officials within the ~~region~~ local workforce development area. Chief elected officials responsible for recommendations for ~~board~~ board's voting membership shall include, but are not limited to, county elected officials, municipal elected officials, and community college directors. The voting membership of each board shall provide for equal representation of business and labor and shall include a county elected official, a city official, a representative of a school district, and a representative of a community college. A local workforce development board may appoint ex officio, nonvoting members.

3. Section 84A.1A, subsections 2, 3, and 5, apply to the members of a ~~regional advisory~~ local workforce development board except that the board shall meet if a majority of the members of the board file a written request with the chairperson for a meeting. Members of a ~~regional advisory~~ local workforce development board shall be allowed their actual and necessary expenses incurred in the performance of their duties. All expenses shall be paid from appropriations for those purposes and the department of workforce development is subject to the budget requirements of chapter 8.

Sec. 8. Section 84A.4, subsection 2, Code 2016, is amended by striking the subsection and inserting in lieu thereof the following:

2. A local workforce development board shall do all of the following:

a. Develop and coordinate the implementation of a four-year comprehensive local workforce development plan that identifies needs, goals, strategies, and policies for the local workforce development area. A local workforce development plan shall be updated every two years and revised as necessary. A local workforce development board shall coordinate the convening of local workforce development system stakeholders to assist in the development of the local workforce development plan.

b. Develop and coordinate the alignment of the local area's workforce development programs, services, and activities in an integrated and streamlined workforce development system that is data driven and responsive to the needs of workers, job

seekers, and employers.

*c.* Develop and coordinate policies that increase access to workforce services for all Iowans, in particular for individuals with a barrier to employment as defined in the federal Workforce Innovation and Opportunity Act, Pub. L. No. 113-128, section 3(24).

*d.* Develop and coordinate the creation of reports as required by section 84A.1B.

*e.* Develop a budget for the local workforce development board's activities in the local workforce development area, consistent with the four-year comprehensive local workforce development plan, any modifications to the local workforce development plan, and the local workforce development board's duties under this section.

*f.* Convene workforce development system stakeholders to identify expertise and resources to leverage support for workforce development programs, services, and activities in the local area.

*g.* Coordinate engagement among employers, employee organizations, and economic development entities in the local workforce development area. The local workforce development board shall lead efforts to promote engagement among a diverse range of employers and with other entities in the region to do all of the following:

(1) Promote business representation on the local workforce development board, particularly for representatives with optimal policymaking or hiring authority of employers whose employment opportunities reflect existing and emerging employment opportunities in the region.

(2) Develop effective linkages with employers in the region to support employer utilization of the local workforce development system and to support local workforce investment activities.

(3) Ensure that workforce investment activities meet the needs of employers and support economic growth in the region by enhancing communication, coordination, and collaboration among employers, employee organizations, economic development entities, and service providers.

(4) Develop and implement proven or promising strategies

for meeting the employment and skill needs of workers and employers, such as participating in the establishment of industry and sector partnerships as described under section 260H.7B, subsection 2, that provide the skilled workforce needed by employers in the region and that expand employment and career advancement opportunities for workforce development system participants in in-demand industry sectors or occupations.

*h.* Coordinate the performance of workforce research and regional labor market analysis.

*i.* Participate in the development of strategies for using technology to maximize the accessibility and effectiveness of the local workforce development system.

*j.* Participate in the oversight of workforce development programs and activities in the local workforce development area.

*k.* Award grants or contracts as required by and consistent with applicable state and federal law. To the extent permitted by applicable state and federal law, the local workforce development board shall consider awarding grants or contracts to nonprofit organizations.

*l.* Designate a fiscal agent.

*m.* Participate in the development of performance accountability measures for the local workforce development area.

*n.* Participate in the identification and promotion of proven and promising practices for meeting the needs of workers, job seekers, and employers.

*o.* Coordinate activities with education and training providers in the local workforce development area.

*p.* Participate in the identification of eligible providers of training and career services within the local workforce development area.

*q.* Make recommendations to the state workforce development board regarding workforce development programs, services, and activities.

*r.* Participate in the implementation of state workforce development initiatives.

Sec. 9. Section 84A.4, Code 2016, is amended by adding the

following new subsection:

NEW SUBSECTION. 2A. A local workforce development board may do the following:

a. Designate and direct the activities of standing committees of the local workforce development board to provide information and to assist the local workforce development board in carrying out its duties. Such standing committees shall be chaired by a member of the local workforce development board, may include other members of the local workforce development board, and shall include other individuals appointed by the local workforce development board who are not members of the local workforce development board and who the local workforce development board determines have appropriate experience and expertise.

b. Engage in regional coordination with one or more other local workforce development areas under the federal Workforce Innovation and Opportunity Act, Pub. L. No. 113-128, section 106.

Sec. 10. Section 84A.5, unnumbered paragraph 1, Code 2016, is amended to read as follows:

The department of workforce development, in consultation with the workforce development board and the ~~regional advisory~~ local workforce development boards, has the primary responsibilities set out in this section.

Sec. 11. Section 84A.5, subsection 9, unnumbered paragraph 1, Code 2016, is amended to read as follows:

The department of workforce development, in consultation with the applicable ~~regional advisory~~ local workforce development board, shall select service providers, subject to approval by the workforce development board for each service delivery area. A service provider in each service delivery area shall be identified to coordinate the services throughout the service delivery area. The department of workforce development shall select service providers that, to the extent possible, meet or have the ability to meet the following criteria:

Sec. 12. Section 84A.6, subsection 1, Code 2016, is amended to read as follows:

1. The department of workforce development, in consultation

with the workforce development board and the ~~regional advisory~~ local workforce development boards, the department of education, and the economic development authority shall work together to develop policies encouraging coordination between skill development, labor exchange, and economic development activities.

Sec. 13. NEW SECTION. 84B.01 Workforce development system.

The departments of workforce development, education, human services, and corrections, the economic development authority, department on aging, the division of Iowa vocational rehabilitation services of the department of education, and the department for the blind shall collaborate where possible under applicable state and federal law to align workforce development programs, services, and activities in an integrated workforce development system in the state and in each local workforce development area that is data driven and responsive to the needs of workers, job seekers, and employers. The departments, authority, and division shall also jointly establish an integrated management information system for linking workforce development programs within local workforce development systems and in the state.

Sec. 14. Section 84B.1, unnumbered paragraph 1, Code 2016, is amended to read as follows:

The department of workforce development, in consultation with the departments of education, human services, and ~~human rights~~ corrections, the economic development authority, the department on aging, the division of Iowa vocational rehabilitation services of the department of education, and the department for the blind, shall establish guidelines for colocating state and federal employment and training programs in centers providing services at the local level. The centers shall be known as workforce development centers. ~~The departments and the authority shall also jointly establish an integrated management information system for linking the programs within a local center to the same programs within other local centers and to the state.~~ The guidelines shall provide for local design and operation within the guidelines. The core services available at a center shall include but are not limited to all of the following:

Sec. 15. Section 84B.2, Code 2016, is amended to read as follows:

**84B.2 Workforce development centers — location.**

A workforce development center, as provided in section 84B.1, shall be located in each service delivery area. Each workforce development center shall also maintain a presence, through satellite offices or electronic means, in each county located within that service delivery area. For purposes of this section, "*service delivery area*" means the area included within a merged area, as defined in section 260C.2, realigned to the closest county border as determined by the department of workforce development. However, if the state workforce development board determines that an area of the state would be adversely affected by the designation of the service delivery areas by the department, the department may, after consultation with the applicable ~~regional advisory~~ local workforce development boards and with the approval of the state workforce development board, make accommodations in determining the service delivery areas, including, but not limited to, the creation of a new service delivery area. In no event shall the department create more than sixteen service delivery areas.

Sec. 16. Section 260H.2, subsection 1, Code 2016, is amended to read as follows:

1. A pathways for academic career and employment program is established to provide funding to community colleges for the development of projects in coordination with the economic development authority, the department of education, the department of workforce development, ~~regional advisory~~ local workforce development boards established pursuant to section 84A.4, and community partners to implement a simplified, streamlined, and comprehensive process, along with customized support services, to enable eligible participants to acquire effective academic and employment training to secure gainful, quality, in-state employment.

Sec. 17. Section 260H.4, subsection 2, paragraph a, Code 2016, is amended to read as follows:

a. Economic and workforce development requirements in each region served by the community colleges as defined by ~~regional advisory~~ local workforce development boards established

pursuant to section 84A.4.

Sec. 18. Section 260H.4, subsection 2, paragraph b, subparagraph (5), Code 2016, is amended to read as follows:

(5) Any other industry designated as in-demand by a ~~regional advisory~~ local workforce development board established pursuant to section 84A.4.

Sec. 19. Section 260H.8, Code 2016, is amended to read as follows:

**260H.8 Rules.**

The department of education, in consultation with the community colleges, the economic development authority, and the department of workforce development, shall adopt rules pursuant to chapter 17A and this chapter to implement the provisions of this chapter. ~~Regional advisory~~ Local workforce development boards established pursuant to section 84A.4 shall be consulted in the development and implementation of rules to be adopted pursuant to this chapter.

Sec. 20. Section 260I.6, subsection 2, paragraph e, Code 2016, is amended to read as follows:

e. Any other industry designated as in-demand by a ~~regional advisory~~ local workforce development board established pursuant to section 84A.4.

Sec. 21. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION II

UNEMPLOYMENT INSURANCE BENEFITS — AUTHORIZATION TO JOIN CONSORTIUM AND USE CERTAIN FUNDS — APPROPRIATION

Sec. 22. AUTHORIZATION TO JOIN CONSORTIUM. The department of workforce development is hereby authorized to join a consortium with the states of Idaho and Vermont for the purpose of modifying the Idaho unemployment benefit payment software system so that it can be used to pay unemployment insurance benefits by the state of Iowa.

Sec. 23. APPROPRIATION — UNEMPLOYMENT INSURANCE BENEFIT PAYMENT SOFTWARE SYSTEM.

1. There is hereby appropriated out of funds made available to the state of Iowa under section 903 of the Social Security Act, as amended, the sum of one million seventy-six thousand

dollars, or so much thereof as may be necessary, to be used under the direction of the department of workforce development, for the purpose of modifying the Idaho unemployment insurance benefit payment software system so that it can be used to pay unemployment insurance benefits by the state of Iowa and for the acquisition of programing, software, and equipment required to provide an administrative and payment system for the Iowa unemployment insurance program.

2. The funds hereby appropriated shall not be obligated after the expiration of the two-year period beginning on the date of the enactment of this section.

3. The amount obligated pursuant to this section shall not exceed at any time the amount by which the aggregate of the amounts transferred to the account of this state in the unemployment trust fund pursuant to section 903 of the Social Security Act, as amended, exceeds the aggregate of the amounts obligated for administration and paid out for unemployment insurance benefits and required by law to be charged against the amounts transferred to the account of this state in the unemployment trust fund.

Sec. 24. AUTHORIZATION OF USE OF FUNDS — UNEMPLOYMENT INSURANCE BENEFIT PAYMENT SOFTWARE SYSTEM.

1. Four million eight hundred twenty-five thousand dollars, or so much thereof as may be necessary, of incentive payment funds credited with respect to the Assistance for Unemployed Workers and Struggling Families Act, Pub. L. No. 111-5, Division B, Tit. II, §2003, as codified in 42 U.S.C. §1103, as a special transfer made under section 903(g) of the Social Security Act, may be used under the direction of the department of workforce development for the purpose of modifying the Idaho unemployment insurance benefit payment system so that it can be used to pay unemployment insurance benefits by the state of Iowa and for the acquisition of programing, software, and equipment required to provide an administrative and payment system for the Iowa unemployment insurance program.

2. The funds hereby authorized for use shall not be obligated after the expiration of the two-year period beginning on the date of the enactment of this section.

Sec. 25. AUTHORIZATION OF USE OF FUNDS — UNEMPLOYMENT

INSURANCE BENEFIT OVERPAYMENTS.

1. Notwithstanding section 96.3, subsection 7, and section 96.3, subsection 10, paragraph "d", the department of workforce development shall not pursue the recovery of any overpayments of unemployment insurance benefits made to individuals caused by a telephone system malfunction on March 8, 2014.

2. The department of workforce development is authorized to make a one-time transfer of five hundred twenty-eight thousand, three hundred seventy-nine dollars and sixty-eight cents, or so much thereof as may be necessary, from moneys transferred to the state on March 13, 2002, pursuant to section 903(d) of the Social Security Act, to be deposited in the unemployment compensation fund for the payment of unemployment insurance benefits.

3. The funds hereby authorized for use shall not be obligated after the expiration of the two-year period beginning on the date of the enactment of this section.

Sec. 26. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

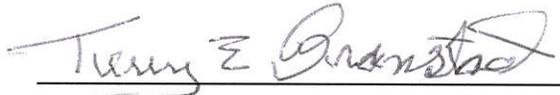
  
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PAM JOCHUM  
President of the Senate

  
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LINDA UPMEYER  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2313, Eighty-sixth General Assembly.

  
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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved May 27, 2016

  
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TERRY E. BRANSTAD  
Governor