

FILED MAR 7 1988

SENATE FILE 2303
BY COMMITTEE ON SMALL BUSINESS
AND ECONOMIC DEVELOPMENT
Approved (p. 1194)

Passed Senate, Date 3/11/88 (p. 1194) Passed House, Date 3/30/88 (p. 1195)
Vote: Ayes 47 Nays 0 Vote: Ayes 96 Nays 0

Approved April 28, 1988

Approved Senate 4/6/88 (p. 1194)
45-0

A BILL FOR

- 1 An Act relating to the Iowa small business new jobs training Act
- 2 by providing for repayments to the permanent school fund,
- 3 establishing a revolving loan account, and providing for
- 4 departmental approval of certain projects by rule.

SENATE FILE 2303

H-5889

- 1 Amend Senate File 2303, as passed by the Senate, as
- 2 follows:
- 3 1. Page 3, by striking line 34 and inserting the
- 4 following:
- 5 "Notwithstanding sections 8.67-292-17 and 302.1 and
- 6 302-13,".

By COMMITTEE ON ECONOMIC DEVELOPMENT
CONNOLLY of Dubuque, Chairperson

H-5889 FILED MARCH 25, 1988

Adopted 3/30 (p. 1194)

SENATE FILE 2303

H-5932

- 1 Amend Senate File 2303 as passed by the Senate as
- 2 follows:
- 3 1. Page 4, by inserting after line 33 the
- 4 following:
- 5 "Sec. ____ . Moneys in the old advance account of
- 6 the area school job training fund on the effective
- 7 date of this Act shall be transferred to the new
- 8 revolving loan account of the area school job training
- 9 fund. Moneys in the old repayment account of the area
- 10 school job training fund on the effective date of this
- 11 Act shall be transferred to the new permanent school
- 12 fund repayment account of the area school job training
- 13 fund.
- 14 Sec. ____ . This Act, being deemed of immediate
- 15 importance, takes effect upon enactment."
- 16 2. Title page, line 4, by inserting after the
- 17 word "rule" the following: ", and providing an
- 18 effective date".

By GRONINGA of Cerro Gordo

H-5932 FILED MARCH 28, 1988

Adopted 3/30 (p. 1194)

1 Section 1. Section 280C.6, Code 1987, is amended to read
2 as follows:

3 280C.6 JOB TRAINING FUND ---ADVANCES.

4 1. There is established for the area schools an area
5 school job training fund under the supervision of the
6 treasurer of state. The area school job training fund
7 consists of two separate accounts containing moneys as
8 follows:

9 a. ~~An-advance-account-to-which-is-credited-moneys~~
10 ~~appropriated-by-the-state-under-section-280C.8, plus the~~
11 ~~interest-from-repayment-of-advances-made-to-employers-for~~
12 ~~program-costs.--Moneys-in-this-account-shall-be-used-to~~
13 ~~provide-advances-to-employers-for-program-costs-upon-requests~~
14 ~~of-the-boards-of-directors-of-the-area-schools. A permanent~~
15 school fund repayment account to which shall be credited the
16 interest and principal from repayment of loans originating
17 from the permanent school fund appropriation in section
18 280C.8, made to employers for program costs, and interest
19 earned from moneys in the account. Moneys in this account
20 shall be used to repay the appropriation from the permanent
21 school fund. At the end of each calendar quarter, the
22 treasurer of state shall transfer the moneys in the account
23 and any moneys in the surplus account of the Iowa plan fund
24 for economic development created in section 99E.31 to the
25 permanent school fund as repayment of the loan from the
26 permanent school fund. If there are moneys in the permanent
27 school fund repayment account after the permanent school fund
28 loan has been fully repaid, those moneys shall be transferred
29 to the revolving loan account provided in paragraph "b" of
30 this section.

31 b. ~~--A-repayment-account-to-which-is-credited-the-repayments~~
32 ~~of-the-advances-made-to-employers-for-program-costs.--At-the~~
33 ~~end-of-each-calendar-quarter, the-treasurer-of-state-shall~~
34 ~~transfer-the-moneys-in-the-account-to-the-permanent-school~~
35 ~~fund-as-repayment-of-the-appropriations-made-under-section~~

1 ~~280C.8--However, interest earned on moneys in the repayment~~
2 ~~account shall be credited to the advance account created in~~
3 ~~paragraph "a".~~

4 b. A revolving loan account to which shall be credited
5 moneys appropriated for the fiscal year beginning July 1,
6 1987, and for succeeding fiscal years for the purposes of this
7 chapter plus the interest and principal from repayment of
8 advances made to employers for program costs and interest
9 earned from moneys in the revolving loan account. Moneys in
10 this account shall be used to provide advances to employers
11 for program costs upon request of boards of directors of the
12 area schools. Beginning July 1, 1995, the Iowa department of
13 economic development shall reserve a portion of the moneys in
14 the revolving loan account to pay a portion of the original
15 one million dollar appropriation in section 280C.8 which,
16 based upon projections of the state treasurer, may still be
17 owed to the permanent school fund on June 30, 1996. The
18 department shall reserve a portion of the moneys in the
19 revolving loan account only if the moneys in the permanent
20 school fund repayment account created in paragraph "a" and
21 moneys in the "surplus" account of the Iowa plan fund for
22 economic development created in section 99E.31, subsection 1,
23 paragraph "c", are insufficient to repay the loan from the
24 permanent school fund.

25 2. To provide funds for the present payment of the costs
26 of a new jobs training program by the employer, the area
27 school may provide to the employer an advance of the moneys to
28 be used to pay for the program costs as provided in the
29 agreement. To receive the funds for this advance from the
30 ~~area-school-job-training-fund revolving loan account~~, the area
31 school shall submit an application to the ~~treasurer-of-state~~
32 ~~department of economic development. The-treasurer-shall~~
33 ~~provide-the-funds-to-the-extent-available-~~ The amount of the
34 advance shall not exceed ~~seventy-five~~ fifty thousand dollars
35 for any project. The advance shall be repaid with interest

1 from the sources provided in the agreement. The rate of
2 interest to be charged for advances made in a calendar month
3 is equal to one half of the average rate of interest on tax
4 exempt certificates issued by area schools pursuant to chapter
5 280B for the previous twelve months. The rate shall be
6 computed by the Iowa department of economic development.

7 Sec. 2. Section 280C.7, Code 1987, is amended to read as
8 follows:

9 280C.7 DEPARTMENT OF ECONOMIC DEVELOPMENT.

10 The Iowa department of economic development in consultation
11 with the department of education and the division of job
12 service of the department of employment services shall
13 coordinate the new jobs training program. The department of
14 economic development shall adopt, amend, and repeal rules
15 under chapter 17A that the area school will use in developing
16 projects with new and expanding small business new jobs
17 training proposals. The department shall establish by rule
18 criteria for determining what constitutes a small business. A
19 project shall not be funded under this chapter unless the
20 department approves the project. The department shall
21 establish by rule criteria for approval of projects. The
22 department is authorized to make any rule that is adopted,
23 amended, or repealed effective immediately upon filing with
24 the administrative rules coordinator or at a subsequent stated
25 date prior to indexing and publication, or at a stated date
26 less than thirty-five days after filing, indexing, and
27 publication. The Iowa department of economic development
28 shall prepare an annual report for the governor and general
29 assembly on the activities and the future anticipated needs of
30 this new jobs training program.

31 Sec. 3. Section 280C.8, Code 1987, is amended to read as
32 follows:

33 280C.8 APPROPRIATIONS.

34 Notwithstanding sections 8.6, 292.1, 302.1 and 302.13,
35 there is appropriated from the permanent school fund, for the

1 fiscal period beginning July 1, 1985, and ending June 30, 1988
 2 1996, the sum of one million dollars to provide funds for the
 3 purposes of and deposits in the area school job training fund
 4 created in section 280C.6. The money appropriated under this
 5 section is a loan from the permanent school fund to the area
 6 school job training fund. The interest on the loan shall be
 7 prepaid for the a three-year period of the loan from funds
 8 appropriated by this section. The rate of interest shall be
 9 determined by the treasurer of state. ~~Notwithstanding section~~
 10 ~~8-33, moneys remaining of the appropriations made under this~~
 11 ~~section on June 30, 1986 and June 30, 1987 shall not revert to~~
 12 ~~the permanent school fund but remain in the area school job~~
 13 ~~training fund. All moneys in the area school job training~~
 14 ~~fund on June 30, 1988 and each fiscal year thereafter shall~~
 15 ~~revert to the permanent school fund. Moneys to repay the~~
 16 ~~amount of the loan from the permanent school fund shall be~~
 17 ~~paid from funds to be credited to the "Surplus" account of the~~
 18 ~~Iowa plan fund for economic development created in section~~
 19 ~~99E-31.~~

20 At the end of each calendar quarter the treasurer of state
 21 shall transfer moneys to repay the amount of the loan from the
 22 permanent school fund from the following sources:

23 1. Moneys in the permanent school fund repayment account
 24 created in section 280C.6, paragraph "a".

25 2. Moneys to be credited to the "surplus" account of the
 26 Iowa plan fund for economic development created in section
 27 99E.31.

28 On and after June 30, 1996, the moneys reserved by the Iowa
 29 department of economic development from the revolving loan
 30 account created in section 280C.6, paragraph "b", shall be
 31 used to repay a portion of the loan from the permanent school
 32 fund provided the conditions stated in section 280C.6,
 33 paragraph "b", are met.

34 EXPLANATION

35 This bill establishes a permanent school fund repayment

HOUSE AMENDMENT TO
SENATE FILE 2303

S-5731

1 Amend Senate File 2303, as passed by the Senate, as
2 follows:

3 1. Page 3, by striking line 34 and inserting the
4 following:

5 "Notwithstanding sections 8.6, ~~292.17~~ and 302.1 and
6 ~~302.13~~,".

7 2. Page 4, by inserting after line 33 the
8 following:

9 "Sec. ____ . Moneys in the old advance account of
10 the area school job training fund on the effective
11 date of this Act shall be transferred to the new
12 revolving loan account of the area school job training
13 fund. Moneys in the old repayment account of the area
14 school job training fund on the effective date of this
15 Act shall be transferred to the new permanent school
16 fund repayment account of the area school job training
17 fund.

18 Sec. ____ . This Act, being deemed of immediate
19 importance, takes effect upon enactment."

20 3. Title page, line 4, by inserting after the
21 word "rule" the following: ", and providing an
22 effective date".

23 4. By renumbering, relettering, or redesignating
24 and correcting internal references as necessary.

S-5731

Filed April 4, 1988

Senate Committee on Education (S-1253)

RECEIVED FROM THE HOUSE

SENATE FILE 2303

AN ACT

RELATING TO THE IOWA SMALL BUSINESS NEW JOBS TRAINING ACT BY PROVIDING FOR REPAYMENTS TO THE PERMANENT SCHOOL FUND, ESTABLISHING A REVOLVING LOAN ACCOUNT, AND PROVIDING FOR DEPARTMENTAL APPROVAL OF CERTAIN PROJECTS BY RULE, AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Section 280C.6, Code 1987, is amended to read as follows:

280C.6 JOB TRAINING FUND ---ADVANCES.

1. There is established for the area schools an area school job training fund under the supervision of the treasurer of state. The area school job training fund consists of two separate accounts containing moneys as follows:

a. ~~An advance account to which is credited moneys appropriated by the state under section 280C.8, plus the interest from repayment of advances made to employers for program costs. Moneys in this account shall be used to provide advances to employers for program costs upon requests of the boards of directors of the area schools.~~ A permanent school fund repayment account to which shall be credited the interest and principal from repayment of loans originating from the permanent school fund appropriation in section 280C.8, made to employers for program costs, and interest earned from moneys in the account. Moneys in this account shall be used to repay the appropriation from the permanent school fund. At the end of each calendar quarter, the treasurer of state shall transfer the moneys in the account and any moneys in the surplus account of the Iowa plan fund for economic development created in section 99E.31 to the permanent school fund as repayment of the loan from the permanent school fund. If there are moneys in the permanent

school fund repayment account after the permanent school fund loan has been fully repaid, those moneys shall be transferred to the revolving loan account provided in paragraph "b" of this section.

~~b. A repayment account to which is credited the repayments of the advances made to employers for program costs. At the end of each calendar quarter, the treasurer of state shall transfer the moneys in the account to the permanent school fund as repayment of the appropriations made under section 280C.8. However, interest earned on moneys in the repayment account shall be credited to the advance account created in paragraph "a".~~

b. A revolving loan account to which shall be credited moneys appropriated for the fiscal year beginning July 1, 1987, and for succeeding fiscal years for the purposes of this chapter plus the interest and principal from repayment of advances made to employers for program costs and interest earned from moneys in the revolving loan account. Moneys in this account shall be used to provide advances to employers for program costs upon request of boards of directors of the area schools. Beginning July 1, 1995, the Iowa department of economic development shall reserve a portion of the moneys in the revolving loan account to pay a portion of the original one million dollar appropriation in section 280C.8 which, based upon projections of the state treasurer, may still be owed to the permanent school fund on June 30, 1996. The department shall reserve a portion of the moneys in the revolving loan account only if the moneys in the permanent school fund repayment account created in paragraph "a" and moneys in the "surplus" account of the Iowa plan fund for economic development created in section 99E.31, subsection 1, paragraph "c", are insufficient to repay the loan from the permanent school fund.

2. To provide funds for the present payment of the costs of a new jobs training program by the employer, the area school may provide to the employer an advance of the moneys to be used to pay for the program costs as provided in the

agreement. To receive the funds for this advance from the area-school-job-training-fund revolving loan account, the area school shall submit an application to the treasurer-of-state department of economic development. ~~The treasurer shall provide the funds to the extent available.~~ The amount of the advance shall not exceed seventy-five fifty thousand dollars for any project. The advance shall be repaid with interest from the sources provided in the agreement. The rate of interest to be charged for advances made in a calendar month is equal to one half of the average rate of interest on tax exempt certificates issued by area schools pursuant to chapter 280B for the previous twelve months. The rate shall be computed by the Iowa department of economic development.

Sec. 2. Section 280C.7, Code 1987, is amended to read as follows:

280C.7 DEPARTMENT OF ECONOMIC DEVELOPMENT.

The Iowa department of economic development in consultation with the department of education and the division of job service of the department of employment services shall coordinate the new jobs training program. The department of economic development shall adopt, amend, and repeal rules under chapter 17A that the area school will use in developing projects with new and expanding small business new jobs training proposals. The department shall establish by rule criteria for determining what constitutes a small business. A project shall not be funded under this chapter unless the department approves the project. The department shall establish by rule criteria for approval of projects. The department is authorized to make any rule that is adopted, amended, or repealed effective immediately upon filing with the administrative rules coordinator or at a subsequent stated date prior to indexing and publication, or at a stated date less than thirty-five days after filing, indexing, and publication. The Iowa department of economic development shall prepare an annual report for the governor and general assembly on the activities and the future anticipated needs of this new jobs training program.

Sec. 3. Section 280C.8, Code 1987, is amended to read as follows:

280C.8 APPROPRIATIONS.

Notwithstanding sections ~~8.67-292-17 and 302.1 and 302-13~~, there is appropriated from the permanent school fund, for the fiscal period beginning July 1, 1985, and ending June 30, ~~1988~~ 1996, the sum of one million dollars to provide funds for the purposes of and deposits in the area school job training fund created in section 280C.6. The money appropriated under this section is a loan from the permanent school fund to the area school job training fund. The interest on the loan shall be prepaid for the a three-year period of the loan from funds appropriated by this section. The rate of interest shall be determined by the treasurer of state. ~~Notwithstanding section 87337-moneys remaining of the appropriations made under this section on June 30, 1986 and June 30, 1987 shall not revert to the permanent school fund but remain in the area school job training fund. All moneys in the area school job training fund on June 30, 1988 and each fiscal year thereafter shall revert to the permanent school fund. Moneys to repay the amount of the loan from the permanent school fund shall be paid from funds to be credited to the "Surplus" account of the Iowa plan fund for economic development created in section 99B-31.~~

At the end of each calendar quarter the treasurer of state shall transfer moneys to repay the amount of the loan from the permanent school fund from the following sources:

1. Moneys in the permanent school fund repayment account created in section 280C.6, paragraph "a".
2. Moneys to be credited to the "surplus" account of the Iowa plan fund for economic development created in section 99E.31.

On and after June 30, 1996, the moneys reserved by the Iowa department of economic development from the revolving loan account created in section 280C.6, paragraph "b", shall be used to repay a portion of the loan from the permanent school fund provided the conditions stated in section 280C.6, paragraph "b", are met.

Sec. 4. Moneys in the old advance account of the area school job training fund on the effective date of this Act shall be transferred to the new revolving loan account of the area school job training fund. Moneys in the old repayment account of the area school job training fund on the effective date of this Act shall be transferred to the new permanent school fund repayment account of the area school job training fund.

Sec. 5. This Act, being deemed of immediate importance, takes effect upon enactment.

JO ANN ZIMMERMAN
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2303, Seventy-second General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved April 28, 1988

TERRY E. BRANSTAD
Governor

SF 2303