

FEB 6 1996  
ECONOMIC DEVELOPMENT

HOUSE FILE 2146  
BY DAGGETT

(COMPANION TO SF 163  
BY BOSWELL)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to funding industrial retraining programs.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2146

1 Section 1. NEW SECTION. 260G.1 TITLE.

2 This chapter shall be known and may be cited as the "Iowa  
3 Industrial Jobs Retraining Act".

4 Sec. 2. NEW SECTION. 260G.2 DEFINITIONS.

5 As used in this chapter, unless the context otherwise  
6 requires:

7 1. "Board of directors" means the board of directors of a  
8 community college.

9 2. "Community college" means a community college  
10 established under chapter 260C.

11 3. "Employer" means a primary industry providing jobs in  
12 the merged area served by the community college which are the  
13 subject of the jobs retraining program and which have existed  
14 in this state for at least five years.

15 4. "Jobs retraining program" or "program" means the  
16 project or projects established by a community college for the  
17 retention of jobs by providing education and retraining of  
18 workers for existing jobs for the primary industry in the  
19 merged area served by the community college.

20 5. "New jobs credit from withholding" means the credit as  
21 provided in section 260E.5.

22 6. "Primary industry" means a business engaged in  
23 interstate or intrastate commerce for the purpose of  
24 manufacturing, processing, or assembling products, conducting  
25 research and development, or providing services in interstate  
26 commerce, but excludes retail, health, or professional  
27 services. "Primary industry" does not include a business  
28 which closes or substantially reduces its operation in one  
29 area of the state of Iowa and relocates substantially the same  
30 operation in another area of the state of Iowa. This  
31 subsection does not prohibit a business from expanding its  
32 operations in another area of the state provided that existing  
33 operations of a similar nature are not closed or substantially  
34 reduced.

35 7. "Program services" includes but is not limited to the

1 following:

2 a. Job retraining.

3 b. Adult basic education and job-related instruction.

4 c. Vocational and skill-assessment services and testing.

5 d. Training facilities, equipment, materials, and  
6 supplies.

7 e. On-the-job retraining.

8 f. Administrative expenses for the jobs retraining  
9 program.

10 g. Subcontracted services with institutions governed by  
11 the state board of regents, private colleges or universities,  
12 or other federal, state, or local agencies.

13 h. Contracted or professional services.

14 8. "Project" means a training arrangement which is the  
15 subject of an agreement entered into between the community  
16 college and an employer to provide program services.

17 Sec. 3. NEW SECTION. 260G.3 WITHHOLDING PAYMENTS  
18 EXTENDED.

19 Upon payment in full of a certificate of participation or  
20 other obligation issued to fund a new jobs training program  
21 under chapter 260E, the community college providing the new  
22 jobs training program and the employer may agree to extend the  
23 new jobs credit from withholding being paid to the community  
24 college under section 260E.5, subsection 2, for an additional  
25 five years. Funds raised in this manner shall be deposited in  
26 a special jobs retraining fund account at the community  
27 college to be used as follows:

28 1. Providing program services to employers within the  
29 merged area served by the community college pursuant to an  
30 agreement between an employer and the community college for a  
31 project.

32 2. Up to twenty-five percent of the funds raised annually  
33 under this section may be used in lieu of a tax levied under  
34 section 260E.6, subsection 4, for the payment of certificates  
35 under chapter 260E.

1 Sec. 4. NEW SECTION. 260G.4 RETRAINING AND RETENTION  
2 PLAN -- APPROVAL.

3 Each community college which intends to offer retraining  
4 programs under this chapter shall develop a retraining and  
5 retention plan for the merged area served by the community  
6 college. The plan shall be developed in coordination with  
7 local political subdivisions and approved by the governing  
8 bodies of the cities and counties in the merged area and the  
9 community college board of directors.

10 Sec. 5. NEW SECTION. 260G.5 DEPARTMENT OF EDUCATION.

11 The department of education shall coordinate the jobs  
12 retraining program. The department of education shall adopt  
13 rules pursuant to chapter 17A for the use of community  
14 colleges in developing jobs retraining program projects. The  
15 department may adopt administrative rules under section 17A.4,  
16 subsection 2, and section 17A.5, subsection 2, paragraph "b",  
17 to implement the provisions and the rules shall become  
18 effective immediately upon filing, unless a later effective  
19 date is specified in the rules. Any rules adopted in  
20 accordance with the provisions of this section shall also be  
21 published as notice of intended action as provided in section  
22 17A.4. The department shall prepare an annual report for the  
23 governor and general assembly on the activities of the jobs  
24 retraining program.

25 EXPLANATION

26 This bill establishes the Iowa industrial jobs retraining  
27 Act. The bill provides that community colleges and employers  
28 who have been receiving a new jobs credit from withholding  
29 under chapter 260E (Iowa industrial new jobs training Act) to  
30 pay off certificates of participation may agree to extend for  
31 five years the payment of withholding moneys to the community  
32 college for use to fund job retraining programs under the  
33 bill. Twenty-five percent of the funds raised annually may  
34 also be used in lieu of any standby taxes levied to pay for  
35 repayment defaults under section 260E.6.

1 Also, the bill provides that a community college which  
2 intends to offer retraining programs shall develop a  
3 retraining and retention plan for the merged area in  
4 coordination with local communities. The plan must be  
5 approved by the governing bodies of the cities and counties  
6 within the merged area and the board of directors of the  
7 community college.

8 In addition, the bill provides that the department of  
9 education shall coordinate retraining programs under the  
10 retraining Act and provide an annual report to the governor  
11 and general assembly regarding the retraining program.

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