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FILED MAR 11 1997

SENATE FILE 395
BY COMMITTEE ON BUSINESS AND
LABOR

(SUCCESSOR TO SSB 178)

Passed Senate, Date 3/24/97 (p. 762) Passed House, Date 4-10-97 (P. 1172)
Vote: Ayes 48 Nays 0 Vote: Ayes 93 Nays 1
Approved April 18, 1997

A BILL FOR

1 An Act relating to the department of workforce development
2 concerning the offsetting of unemployment compensation
3 benefits, departmental liability for the release of
4 unemployment compensation records, the voluntary shared work
5 program, and workforce development services employees, and
6 providing for an effective date.

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

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S.F. 395

UNRECORDED

1 Section 1. Section 96.3, Code 1997, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 11. OVERISSUANCE OF FOOD STAMP BENEFITS.

4 The department shall collect any overissuance of food stamp
5 benefits by offsetting the amount of the overissuance from the
6 benefits payable under this chapter to the individual. This
7 subsection shall only apply if the department is reimbursed
8 under an agreement with the department of human services for
9 administrative costs incurred in recouping the overissuance.

10 The provisions of section 96.15 do not apply to this
11 subsection.

12 Sec. 2. Section 96.11, subsection 6, Code 1997, is amended
13 by adding the following new paragraph:

14 NEW PARAGRAPH. h. LIABILITY FOR RELEASE OF INFORMATION.

15 The department and its employees shall not be liable for any
16 acts or omissions resulting from the release of information to
17 any person pursuant to this subsection.

18 Sec. 3. Section 96.40, subsection 9, Code 1997, is amended
19 by adding the following new unnumbered paragraph:

20 NEW UNNUMBERED PARAGRAPH. An employer may provide as part
21 of the plan a training program the employees may attend during
22 the hours that have been reduced. If the employer is able to
23 show that the training program will provide a substantive
24 increase in the workplace and employability skills of the
25 employee so as to reduce the potential for future periods of
26 unemployment, the department shall relieve the employer of
27 charges for benefits paid to the individual attending training
28 under the plan. The employee may attend the training at the
29 work site utilizing internal resources, provided the training
30 is outside of the normal course of employment, or in
31 conjunction with an educational institution.

32 Sec. 4. 1996 Iowa Acts, chapter 1186, section 25, is
33 amended by adding the following new unnumbered paragraph:

34 NEW UNNUMBERED PARAGRAPH. If approved by the community
35 college and the department of workforce development, an

1 employee of a community college who currently provides
2 workforce development services under a contract with the
3 department of workforce development which was in existence as
4 of July 1, 1996, may become a state employee with the
5 department subject to the requirements of this paragraph. The
6 hiring provisions of chapter 19A and the provisions of any
7 collective bargaining agreement made pursuant to chapter 20
8 shall not apply to the initial placement of a new employee
9 into state service pursuant to this paragraph. A new state
10 employee employed pursuant to this paragraph shall retain any
11 vacation and sick leave hours previously accrued and their
12 accrued years of service. However, accrued years of service
13 shall not be used for the purpose of calculating years of
14 service for a retirement allowance under the Iowa public
15 employees' retirement system unless the employee was covered
16 under the system for those years of service. A new state
17 employee employed pursuant to this paragraph shall not suffer
18 any loss in salary unless the salary would exceed the current
19 allowable state salary for a position of comparable worth.
20 Except as provided in this paragraph, a new state employee
21 employed pursuant to this paragraph shall be entitled to
22 benefits offered to all state employees, but shall not be
23 entitled to benefits offered to an employee of a community
24 college but not to a state employee. For the purposes of
25 health benefits for a new state employee employed pursuant to
26 this paragraph, the eleven-month preexisting condition waiting
27 period is waived. For purposes of group health, dental, life,
28 and long-term disability coverage for a new state employee
29 employed pursuant to this paragraph, the thirty-day new
30 employee waiting period is waived.

31 Sec. 5. EFFECTIVE DATE -- REPEAL. Section 4 of this Act,
32 amending 1996 Iowa Acts, chapter 1186, being deemed of
33 immediate importance, takes effect upon enactment and is
34 repealed effective July 1, 1999.

35

EXPLANATION

1 This bill provides that the department of workforce
2 development can recoup the overissuance of food stamp benefits
3 from unemployment compensation benefits if the department of
4 human services reimburses the department's administrative
5 costs in recouping the overissuance.

6 The bill provides that the department and its employees are
7 not liable for any acts or omissions resulting from the
8 release of records by the department as it relates to
9 unemployment compensation pursuant to the requirements of the
10 section authorizing the release.

11 The bill also relieves an employer participating in the
12 voluntary shared work program from charges for benefits paid
13 while the employee attends approved work-related training.

14 The bill provides that employees of a community college
15 providing workforce development services to the department of
16 workforce development based on a contract in existence as of
17 July 1, 1996, may become state employees of the department
18 while retaining most benefits accrued while an employee of the
19 community college, if the department and the community college
20 agree. This section of the bill takes effect upon enactment
21 and is repealed effective July 1, 1999.

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**SENATE FILE 395
FISCAL NOTE**

A fiscal note for Senate File 395 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 395 makes several proposed changes to the operations of the Department of Workforce Development (DWD). The Bill:

1. Allows the DWD to deduct overpayment of food stamp benefits from Unemployment Compensation Benefits, subject to payment of administrative costs by the Department of Human Services.
2. Provides a release of liability for acts or omissions by DWD personnel which result in the disclosure of information relating to Workers Compensation claims.
3. Relieves an employer of benefits paid charges under the Shared Work Program while the employee attends work-related training.
4. Allows certain employees of Community Colleges providing workforce development services to the DWD to become State employees of the Department, if the Community Colleges and Department agree.

FISCAL IMPACT

The proposed change allowing the DWD to recoup food stamp overpayments through garnishment of Unemployment Compensation Benefits would have an unknown positive impact on State funds.

The proposed changes relating to charges made under the Shared-Work Program would not impact the Unemployment Compensation Fund. However, the benefit charges would be paid by all employers, as opposed to just the employer of the employee engaged in work-related training.

The proposed changes relating to liability of DWD personnel and Community College personnel would have a minor unknown impact on State funds.

SOURCES

Department of Workforce Development
Community Colleges

(LSB 1309SV, JWR)

FILED MARCH 20, 1997

BY DENNIC PROUTY, FISCAL DIRECTOR

SENATE FILE 395

S-3172

1 Amend Senate File 395 as follows:

2 1. Page 1, by inserting after line 11 the
3 following:4 "Sec. ____ . Section 96.6, subsection 4, Code 1997,
5 is amended to read as follows:6 4. EFFECT OF DETERMINATION. A finding of fact or
7 law, judgment, conclusion, or final order made
8 pursuant to this section by an employee or
9 representative of the department, administrative law
10 judge, or the employment appeal board, is binding,
11 except as provided in subsection 5, only upon the
12 parties to proceedings brought under this chapter, and
13 is not binding upon any other proceedings or action
14 involving the same facts brought by the same or
15 related parties before the division of labor services,
16 division of industrial services, other state agency,
17 arbitrator, court, or judge of this state or the
18 United States.19 Sec. ____ . Section 96.6, Code 1997, is amended by
20 adding the following new subsection:21 NEW SUBSECTION. 5. WAIVER. The director shall
22 establish a procedure for an individual to petition
23 the director for a waiver of a requirement of this
24 chapter that resulted in a denial of benefits to the
25 individual if the individual can establish good cause
26 for the waiver. An individual shall not be required
27 to seek a waiver pursuant to this subsection for
28 purposes of seeking judicial review of agency action.
29 If a waiver is granted by the director, the decision
30 granting a waiver is final agency action and an appeal
31 of the decision shall be made directly to the district
32 court."33 2. Title page, line 2, by striking the words "the
34 offsetting of".

35 3. By renumbering as necessary.

By JIM LIND

S-3172 FILED MARCH 19, 1997

Not debatable 3/24/97

SENATE FILE 395

S-3156

1 Amend Senate File 395 as follows:

2 1. Page 1, by inserting after line 17 the
3 following:4 "Section ____ . Section 96.19, subsection 18,
5 paragraph a, subparagraph (6), subparagraph
6 subdivision (f), Code 1997, is amended by striking the
7 subparagraph subdivision.8 Sec. ____ . Section 96.19, subsection 18, paragraph
9 g, Code 1997, is amended by adding the following new
10 subparagraph:11 NEW SUBPARAGRAPH. (8) Services performed by an
12 inmate of a custodial or penal institution."13 2. Title page, line 3, by inserting after the
14 word "benefits," the following: "unemployment
15 compensation for inmates,".

16 3. By renumbering as necessary.

By JACK RIFE

S-3156 FILED MARCH 19, 1997

w/d 3/24/97 (p. 762)

SENATE FILE 395

S-3182

1 Amend Senate File 395 as follows:

2 1. Page 1, by inserting after line 17 the
3 following:

4 "Section ____ . Section 96.19, subsection 18,
5 paragraph a, subparagraph (6), subparagraph
6 subdivision (f), Code 1997, is amended by striking the
7 subparagraph subdivision.

8 Sec. ____ . Section 96.19, subsection 18, paragraph
9 g, Code 1997, is amended by adding the following new
10 subparagraph:

11 NEW SUBPARAGRAPH. (8) Services performed by an
12 inmate of a correctional institution."

13 2. Title page, line 3, by inserting after the
14 word "benefits," the following: "unemployment
15 compensation for inmates,".

16 3. By renumbering as necessary.

By ROBERT DVORSKY

JACK RIFE

STEVEN D. HANSEN

S-3182 FILED MARCH 19, 1997

adopted 3/24/97 (p. 762)

1 Section 1. Section 96.3, Code 1997, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 11. OVERISSUANCE OF FOOD STAMP BENEFITS.

4 The department shall collect any overissuance of food stamp
5 benefits by offsetting the amount of the overissuance from the
6 benefits payable under this chapter to the individual. This
7 subsection shall only apply if the department is reimbursed
8 under an agreement with the department of human services for
9 administrative costs incurred in recouping the overissuance.
10 The provisions of section 96.15 do not apply to this
11 subsection.

12 Sec. 2. Section 96.11, subsection 6, Code 1997, is amended
13 by adding the following new paragraph:

14 NEW PARAGRAPH. h. LIABILITY FOR RELEASE OF INFORMATION.

15 The department and its employees shall not be liable for any
16 acts or omissions resulting from the release of information to
17 any person pursuant to this subsection.

18 Sec. 3. Section 96.19, subsection 18, paragraph a,
19 subparagraph (6), subparagraph subdivision (f), Code 1997, is
20 amended by striking the subparagraph subdivision.

21 Sec. 4. Section 96.19, subsection 18, paragraph g, Code
22 1997, is amended by adding the following new subparagraph:

23 NEW SUBPARAGRAPH. (8) Services performed by an inmate of
24 a correctional institution.

25 Sec. 5. Section 96.40, subsection 9, Code 1997, is amended
26 by adding the following new unnumbered paragraph:

27 NEW UNNUMBERED PARAGRAPH. An employer may provide as part
28 of the plan a training program the employees may attend during
29 the hours that have been reduced. If the employer is able to
30 show that the training program will provide a substantive
31 increase in the workplace and employability skills of the
32 employee so as to reduce the potential for future periods of
33 unemployment, the department shall relieve the employer of
34 charges for benefits paid to the individual attending training
35 under the plan. The employee may attend the training at the

1 work site utilizing internal resources, provided the training
2 is outside of the normal course of employment, or in
3 conjunction with an educational institution.

4 Sec. 6. 1996 Iowa Acts, chapter 1186, section 25, is
5 amended by adding the following new unnumbered paragraph:

6 NEW UNNUMBERED PARAGRAPH. If approved by the community
7 college and the department of workforce development, an
8 employee of a community college who currently provides
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10 department of workforce development which was in existence as
11 of July 1, 1996, may become a state employee with the
12 department subject to the requirements of this paragraph. The
13 hiring provisions of chapter 19A and the provisions of any
14 collective bargaining agreement made pursuant to chapter 20
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17 employee employed pursuant to this paragraph shall retain any
18 vacation and sick leave hours previously accrued and their
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20 shall not be used for the purpose of calculating years of
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32 health benefits for a new state employee employed pursuant to
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34 period is waived. For purposes of group health, dental, life,
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Freeman, Chair
Schuerer
Settings

SSB 178

Business of Labor

SENATE/HOUSE FILE ^{passed by} () HF 395
BY (PROPOSED DEPARTMENT OF
WORKFORCE DEVELOPMENT BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the department of workforce development
2 concerning the offsetting of unemployment compensation
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25 health benefits for a new state employee employed pursuant to
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32 amending 1996 Iowa Acts, chapter 1186, being deemed of
33 immediate importance, takes effect upon enactment and is
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35 EXPLANATION.

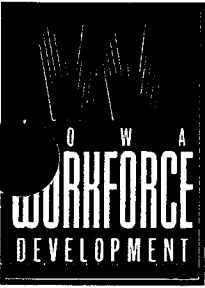
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21 and is repealed effective July 1, 1999.

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Date: February 13, 1997

To: Members of the Iowa General Assembly

From: Pat Sampson, Legislative Liaison
Iowa Workforce Development

Subject: LSB1309

Terry E. Branstad
Governor

Cynthia P. Eisenhauer
Director

Iowa Workforce Development submitted this legislation for a variety of purposes. The issues may seem to be unrelated but are combined to attempt to meet your request to submit only two requests. I will address each issue separately.

Section 1 requires unemployment insurance benefits to be reduced to recover an overissuance of food stamp coupons if the administrative costs of IWD are reimbursed. Federal welfare reform mandates the state food stamp agency collect any overissuance of food stamp coupons issued to a household by withholding unemployment compensation benefit payments. However, unemployment insurance funds are not allowed to be used to recover these funds. Food stamp agencies must reimburse the unemployment insurance costs to administer the withholding. This will have a budgetary impact on the Department of Human Services, Iowa's food stamp agency.

Section 2. Federal welfare reform authorizes the disclosure of unemployment insurance wage and claim information to the National Directory of New Hires. The U. S. Department of Labor recommends each state take the appropriate action to assure its law authorizes the disclosure of this information and adopt the proposed language to protect the agency and its employees since the information will be disclosed to individuals outside the agency.

Section 3 expands the voluntary shared work program to allow employers to be relieved of unemployment insurance tax charges if employees attend training as described in the voluntary shared work plan. The voluntary shared work (VSW) program began five years ago. Twenty-two employers and approximately 1,650 employees participated in the program. To participate, an employer must reduce the normal work weekly hours of work for an employee in an affected unit by at least 20 percent, but not more than 50 percent. Workers who qualify for unemployment insurance benefits can receive both wages and shared work benefits. Under the proposed legislation, the employer can provide, as part of the VSW plan, a training program the employees can choose to attend during the hours that have been reduced. The employer can be

Work

With

Us.

1000 East Grand Avenue

Des Moines, IA 50319-0209

5-281-5387

800-JOB-IOWA

relieved of the unemployment insurance charges for the employees who attended the training.

Section 4 allows community college employees who provide workforce development services through contract with IWD to become state employees without loss of service if the community wants workforce development services to be provided by the state.

During debate establishing the department, legislators encouraged local decision making in how the services are to be delivered. A community in Iowa approached the department about using this approach. The primary stumbling block is allowing the employees to retain the individual benefits accrued.

This is a win-win approach. It allows the community to chose the local service delivery structure and allows employees to retain seniority dates, accrued sick and annual leave and balances, receive comparable state rates for annual and sick leave, receive all benefits as state employees with the same years of service, obtain a waiver for the eleven months pre-existing condition waiting period and experience no loss of salary. The community will not be allowed to chose the service delivery structure that best fits its needs without this legislation.

SENATE FILE 395

AN ACT

RELATING TO THE DEPARTMENT OF WORKFORCE DEVELOPMENT
CONCERNING THE OFFSETTING OF UNEMPLOYMENT COMPENSATION
BENEFITS, UNEMPLOYMENT COMPENSATION FOR INMATES,
DEPARTMENTAL LIABILITY FOR THE RELEASE OF UNEMPLOYMENT
COMPENSATION RECORDS, THE VOLUNTARY SHARED WORK PROGRAM,
AND WORKFORCE DEVELOPMENT SERVICES EMPLOYEES, AND
PROVIDING FOR AN EFFECTIVE DATE.

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

Section 1. Section 96.3, Code 1997, is amended by adding
the following new subsection:

NEW SUBSECTION. 11. OVERISSUANCE OF FOOD STAMP BENEFITS.
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benefits by offsetting the amount of the overissuance from the
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Sec. 4. Section 96.19, subsection 18, paragraph g, Code
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Sec. 7. EFFECTIVE DATE -- REPEAL. Section 6 of this Act, amending 1996 Iowa Acts, chapter 1186, being deemed of immediate importance, takes effect upon enactment and is repealed effective July 1, 1999.

MARY E. KRAMER
President of the Senate

RON J. CORBETT
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 395, Seventy-seventh General Assembly.

MARY PAT GUNDERSON
Secretary of the Senate

Approved April 18, 1997

TERRY E. BRANSTAD
Governor