

Senate Study Bill 1244

Bill Text

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1 1 Section 1. Section [96.7](#), subsection 12, paragraphs a, c,
1 2 and d, Code 2001, are amended to read as follows:
1 3 a. An employer other than a governmental entity or a
1 4 nonprofit organization, subject to this chapter, shall pay an
1 5 administrative contribution surcharge

~~equal in amount to one~~

1 6

~~tenth of one percent of federal taxable wages, as defined in~~

1 7

~~section 96.19, subsection 37, paragraph "b"~~

~~that is~~

1 8 established by the department, by rule, as a percentage of
1 9 taxable wages, in an amount necessary to achieve an
1 10 administrative contribution surcharge fund balance in the
1 11 following amount:

1 12 (1) For calendar year 2002, a fund balance no greater than
1 13 six million dollars.

1 14 (2) For calendar year 2003, a fund balance no greater than
1 15 five million dollars.

1 16 Any accrued administrative contribution surcharges in the
1 17 administrative contribution surcharge fund that remain unspent
1 18 at the end of calendar year 2002 shall be deducted from the
1 19 amount to be collected in calendar year 2003 before the
1 20 department establishes the administrative contribution
1 21 surcharge necessary to achieve the maximum administrative
1 22 contribution surcharge fund balance for calendar year 2003.
1 23 The department shall reduce the administrative contribution
1 24 surcharge established for any calendar year proportionate to
1 25 any federal government reform that provides an increased
1 26 allocation of moneys under the federal Unemployment Tax Act to
1 27 the state. The department shall

~~recompute the amount as a~~

1 28

~~percentage of taxable wages, as defined in section 96.19,~~

1 29

~~subsection 37, and shall~~

~~add the~~

~~percentage~~

~~surcharge to the~~

1 30 employer's contribution

~~rate~~

~~determined under this section for~~

1 31 the appropriate calendar year. The department shall adopt
1 32 rules prescribing the manner in which the surcharge will be

1 33 collected. Interest shall accrue on all unpaid surcharges
1 34 under this subsection at the same rate as on regular
1 35 contributions and shall be collectible in the same manner.
2 1 Interest accrued and collected under this paragraph and
2 2 interest earned and credited to the fund under paragraph "b"
2 3 shall be used by the department only for the purposes set
2 4 forth in paragraph "c".
2 5 c. Moneys in the fund shall be used by the department only
2 6 upon appropriation by the general assembly and only for
2 7 personnel and nonpersonnel costs of rural and satellite
2 8 departmental offices in population centers of less than twenty
2 9 thousand or for the department-approved training fund

~~—funded~~

2 10

~~—in section 8, subsection 2, of 1988 Iowa Acts, chapter 1274~~

2 11 for training carried out by community colleges, as defined in
2 12 section 260C.2. To the extent possible, the department shall
2 13 colocate the rural and satellite departmental offices funded
2 14 by the surcharge provided for in this subsection, at available
2 15 community college facilities throughout the state. Moneys in
2 16 the fund shall not be used for purposes other than those
2 17 identified in this paragraph or identified in the
2 18 appropriation of the moneys in the fund by the general
2 19 assembly. Prohibited uses of the moneys in the fund include
2 20 but are not limited to occupational safety and health
2 21 consultations, services which are currently provided or
2 22 projected to be provided by other state agencies, department
2 23 of workforce development regional advisory board member
2 24 expenses, and any miscellaneous purposes.
2 25 d. This subsection is repealed July 1,

~~—2001~~

~~— 2003,~~ and the

2 26 repeal is applicable to contribution rates for calendar year
2 27

~~—2002~~

~~— 2004~~ and subsequent calendar years.

2 28 Sec. 2. RURAL AND SATELLITE DEPARTMENTAL OFFICES REVIEW.
2 29 The department of workforce development shall conduct an
2 30 annual review of the number of individuals served at each site
2 31 and the services rendered, the number of businesses served at
2 32 each site and the services rendered, the categories of service
2 33 provided at each site, the number of employment applications
2 34 completed and submitted at each site, the number of placements
2 35 made at each site, and the average wages and benefits of
3 1 individuals placed.

3 2 The department, in the review, shall consider the
3 3 feasibility of consolidating some of the rural and satellite
3 4 departmental offices to better serve the public.

3 5 The department shall develop a customer satisfaction survey
3 6 that gathers information from employers and individuals who
3 7 have utilized services at the satellite offices. The survey
3 8 shall include questions concerning the type of services
3 9 rendered, the quality of services rendered, and the quality of
3 10 referrals given. The results of the survey shall be included
3 11 in the department's review.

3 12 The department shall prepare a report of its review
3 13 findings. The report shall contain information gathered in
3 14 the review as well as information concerning the success of
3 15 colocation efforts at community colleges throughout the state,
3 16 the services provided to employers with fifty or fewer
3 17 employees, the rent or lease costs associated with each site

3 18 and the building square footage at each site, and efforts to
3 19 pursue other funding sources or contracts with private sector
3 20 vendors.

3 21 The department shall submit a report of its annual review
3 22 to the governor and general assembly by December 21, 2001, and
3 23 by December 21, 2002.

3 24 Sec. 3. EFFECTIVE DATE. This Act, being deemed of
3 25 immediate importance, takes effect upon enactment.

3 26 EXPLANATION

3 27 This bill amends Code section 96.7, subsection 12, by
3 28 providing for the repeal of the employment security
3 29 administrative contribution surcharge and its fund on July 1,
3 30 2003, instead of July 1, 2001. The bill also transforms the
3 31 surcharge for calendar years 2002 and 2003 from one based on a
3 32 set percentage of taxable wages to one based on a percentage
3 33 of taxable wages but capped for all employer surcharges at \$6
3 34 million in 2002 and \$5 million in 2003. This Code section
3 35 change is made effective upon the bill's enactment in order to
4 1 take effect before the scheduled repeal of Code section 96.7,
4 2 subsection 12, on July 1, 2001.

4 3 The bill permits moneys from the division-approved training
4 4 fund to be used for training carried out by community
4 5 colleges.

4 6 The bill also requires the department of workforce
4 7 development to colocate rural and satellite offices at
4 8 community colleges to the extent possible. The bill requires
4 9 the department to use administrative contribution surcharge
4 10 fund moneys and interest only for specified purposes
4 11 identified in the Code or identified in the appropriation of
4 12 the moneys from the fund. The bill also specifies prohibited
4 13 uses of surcharge funds including but not limited to
4 14 occupational safety and health consultations, services which
4 15 are currently provided or projected to be provided by other
4 16 state agencies, workforce development regional advisory board
4 17 member expenses, and any miscellaneous purposes.

4 18 The department is also directed to conduct an annual review
4 19 of the rural and satellite offices including the number of
4 20 individuals served at each site and the services rendered, the
4 21 number of businesses served at each site, the number of
4 22 employment applications completed and submitted at each site,
4 23 and the average wages and benefits of individuals placed. The
4 24 department is also directed to consider consolidating some of
4 25 the rural and satellite offices and to develop a customer
4 26 satisfaction survey that gathers information from employers
4 27 and individuals who utilize services at satellite offices.

4 28 The department is directed to prepare and submit a report
4 29 of its review findings for each year that the surcharge is in
4 30 effect to the governor and general assembly by December 21,
4 31 2001, and by December 21, 2002.

4 32 LSB 3382XC 79

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