

SENATE FILE 267
BY HATCH

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

A BILL FOR

1 An Act providing for an individual training account program
2 within the department of workforce development.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 267
ECONOMIC GROWTH

1 Section 1. NEW SECTION. 84A.11 INDIVIDUAL TRAINING
2 ACCOUNT PROGRAM -- FUND.

3 1. a. There is created in the state treasury a special
4 fund known as the Iowa individual training account fund. The
5 fund is separate and distinct from the unemployment
6 compensation fund. The fund consists of all moneys deposited
7 in the fund as provided in section 96.7, subsection 13.
8 Moneys in the fund are not subject to section 8.33.
9 Notwithstanding section 12C.7, interest on and earnings from
10 moneys in the fund shall be credited to the fund.

11 b. The director of the department of workforce development
12 shall serve as trustee of the fund and shall administer the
13 fund. Any loss to the fund shall be charged against the fund
14 and the director shall not be personally liable for such loss.
15 All moneys which are paid or deposited into this fund are
16 hereby appropriated and made available to the department of
17 workforce development to be used only for the purposes
18 provided in this section.

19 2. The department of workforce development shall implement
20 and administer an individual training account program for
21 eligible recipients. Eligible recipients are employees whose
22 employers contribute to the unemployment compensation fund
23 created in section 96.9 or persons who are unemployed and
24 eligible for unemployment compensation from the fund. The
25 program shall provide vouchers to eligible recipients to
26 obtain eligible job training and retraining for both basic
27 skill development and vocational or technical training.
28 Vouchers shall be provided through workforce development
29 centers as established in section 84B.1. To obtain a voucher
30 under this program, an eligible recipient shall provide at
31 least a dollar-per-dollar match. The department shall
32 establish guidelines concerning the maximum dollar amount of
33 assistance available to eligible recipients which guidelines
34 shall provide greater financial assistance to persons with a
35 greater number of years of employment with employers who

1 contribute to the unemployment compensation fund. The
2 department shall adopt rules pursuant to chapter 17A to
3 administer the program, including rules relating to
4 eligibility criteria, eligible training programs, and services
5 to implement the intent of this section.

6 Sec. 2. Section 96.7, Code 2003, is amended by adding the
7 following new subsection:

8 NEW SUBSECTION. 13. INDIVIDUAL TRAINING ACCOUNT FUND
9 TRANSFER. Prior to the end of each calendar year, the
10 department shall establish a percentage rate of the
11 unemployment compensation tax to be collected for the next
12 calendar year which shall be deposited in the individual
13 training account fund created in section 84A.11 and which rate
14 shall be sufficient to collect an amount representing forty
15 percent of the interest earned on moneys in the fund for the
16 previous calendar year. The cost of collection and
17 determination of the necessary rate shall be paid for from
18 moneys deposited in the fund established in section 84A.11.

19 EXPLANATION

20 This bill establishes an individual training account
21 program and fund within the department of workforce
22 development. The program shall provide vouchers to eligible
23 recipients to obtain job training and retraining services.
24 Eligible recipients are defined to include employed and
25 unemployed workers covered by the unemployment compensation
26 trust fund. The program provides that employees seeking
27 assistance from the program are required to match assistance
28 received on at least a dollar-for-dollar basis with the dollar
29 amount of assistance based, in part, on the number of years
30 the recipient has been employed. Funding for the program
31 shall be through an individual training account fund which
32 shall consist of moneys transferred to the fund from a portion
33 of unemployment compensation taxes collected during a year
34 which represents an amount equal to 40 percent of the interest
35 earned on moneys in the unemployment compensation trust fund

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1 created in Code section 96.9 for the previous year.

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