

**House File 2407 - Introduced**

HOUSE FILE 2407  
BY COMMITTEE ON ECONOMIC  
GROWTH

(SUCCESSOR TO HSB 541)

**A BILL FOR**

1 An Act relating to the administration of the job training  
2 program and fund by the economic development authority and  
3 making an appropriation.

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

1 Section 1. SHORT TITLE. This Act shall be known and may be  
2 cited as the "Iowa Apprenticeship and Job Training Act".

3 Sec. 2. Section 15.108, subsection 6, paragraph a, Code  
4 2014, is amended to read as follows:

5 a. Coordinate and perform the duties specified under the  
6 Iowa industrial new jobs training Act in chapter 260E, the  
7 Iowa ~~jobs~~ job training Act in chapter 260F, and the workforce  
8 development fund in section 15.341.

9 Sec. 3. Section 15.343, subsection 2, paragraph a, Code  
10 2014, is amended to read as follows:

11 a. Projects under chapter 260F. The authority ~~shall~~ may  
12 require a match from all businesses participating in a ~~training~~  
13 project under chapter 260F.

14 Sec. 4. Section 15.343, subsection 3, Code 2014, is amended  
15 by striking the subsection and inserting in lieu thereof the  
16 following:

17 3. a. The authority shall transfer any appropriation  
18 provided for purposes of this chapter to the job training fund  
19 created in section 260F.6.

20 b. Moneys in the job training fund shall be allocated as  
21 provided in section 260F.6, subsection 3.

22 Sec. 5. Section 260C.18A, subsection 2, paragraph b, Code  
23 2014, is amended by striking the paragraph and inserting in  
24 lieu thereof the following:

25 b. Projects that would meet all the requirements of a  
26 project under chapter 260F, whether or not the project is  
27 actually being funded under chapter 260F. The authority may  
28 advise a community college on how a project would be treated  
29 for purposes of chapter 260F.

30 Sec. 6. Section 260F.1, Code 2014, is amended to read as  
31 follows:

32 **260F.1 Title.**

33 This chapter shall be known and may be cited as the "*Iowa*  
34 ~~*Jobs*~~ *Job Training Act*".

35 Sec. 7. Section 260F.2, subsections 1, 5, 6, and 11, Code

1 2014, are amended to read as follows:

2 1. ~~"Agreement" is the agreement~~ means a contract between a  
3 business and a community college or the authority concerning  
4 a project.

5 5. ~~"Eligible business" or "business"~~ means a business  
6 ~~training employees which is engaged in interstate or intrastate~~  
7 ~~commerce for the purpose of manufacturing, processing, or~~  
8 ~~assembling products, conducting research and development,~~  
9 ~~or providing services in interstate commerce, but excludes~~  
10 ~~retail, health, or professional services and which meets~~  
11 ~~the other criteria established by the authority.~~ "Eligible  
12 business" does not include a business whose training costs can  
13 be economically funded under chapter 260E, a business which  
14 closes or substantially reduces its employment base in order  
15 to relocate substantially the same operation to another area  
16 of the state, or a business which is involved in a strike,  
17 lockout, or other labor dispute in Iowa that proposes to  
18 train employees as part of a project and that meets all the  
19 conditions of section 260F.3.

20 6. "Employee" means a person currently employed by a an  
21 eligible business or who will be employed upon successful  
22 completion of a project and who is to be trained as part of a  
23 project. However, "employee" does not include a person with  
24 executive responsibilities or a replacement workers who are  
25 worker hired as a result of a strike, lockout, or other labor  
26 dispute in Iowa.

27 11. "Project" means a training arrangement which that is  
28 the subject of an agreement entered into between the community  
29 college and a business to provide program services. "Project"  
30 also means an authority-sponsored training arrangement  
31 which is sponsored by the authority and administered under  
32 sections 260F.6A and 260F.6B and that is primarily focused  
33 on meeting the workforce needs of an eligible business. A  
34 project includes but is not limited to training or retraining  
35 of employees, adult basic education, on-the-job training,

1 job-related instruction, vocation and skill-assessment services  
2 and testing, tuition and classroom instruction for coursework  
3 at a community college or a regents institution, and training  
4 equipment, supplies, and materials. A project does not include  
5 coursework that will be counted toward an advanced or graduate  
6 degree earned by an employee.

7 Sec. 8. Section 260F.2, Code 2014, is amended by adding the  
8 following new subsections:

9 NEW SUBSECTION. 1A. "*Apprentice*" means a person who is  
10 at least sixteen years of age, except where a higher minimum  
11 age is required by law, who is employed in an apprenticeable  
12 occupation, and is registered in Iowa with the United States  
13 department of labor, office of apprenticeship.

14 NEW SUBSECTION. 1B. "*Apprenticeable occupation*" means an  
15 occupation approved for apprenticeship by the United States  
16 department of labor, office of apprenticeship.

17 NEW SUBSECTION. 1C. "*Apprenticeship program*" means a  
18 program registered with the United States department of  
19 labor, office of apprenticeship, which contains the terms and  
20 conditions for the qualification, recruitment, selection,  
21 employment, and training of apprentices, including the  
22 requirement for a written apprenticeship agreement.

23 NEW SUBSECTION. 1D. "*Apprenticeship sponsor*" means an  
24 entity operating an apprenticeship program or an entity in  
25 whose name an apprenticeship program is being operated, which  
26 is registered with or approved by the United States department  
27 of labor, office of apprenticeship.

28 NEW SUBSECTION. 2A. "*Commencement date*" means the date on  
29 which a proposed project is scheduled to begin.

30 NEW SUBSECTION. 5A. "*Eligible research and development*"  
31 means activities that meet the definition of research  
32 activities under section 422.10 even if the business has not  
33 actually claimed a research activities tax credit.

34 NEW SUBSECTION. 6A. "*Financial assistance*" means assistance  
35 provided only from the funds, rights, and assets legally

1 available to the authority and includes but is not limited to  
2 assistance in the form of grants, loans, forgivable loans, and  
3 royalty payments.

4 NEW SUBSECTION. 6B. *“Fund”* means the job training fund  
5 created in section 260F.6.

6 NEW SUBSECTION. 7A. *“Lead apprenticeship sponsor”*  
7 means a trade organization, labor organization, employer  
8 association, or other incorporated entity representing a group  
9 of apprenticeship sponsors.

10 NEW SUBSECTION. 11A. *“Providing services in interstate*  
11 *commerce”* means the provision of the majority of a business’s  
12 sales to customers located outside of Iowa.

13 Sec. 9. Section 260F.2, subsections 4, 7, 8, 9, and 10, Code  
14 2014, are amended by striking the subsections.

15 Sec. 10. Section 260F.3, Code 2014, is amended by striking  
16 the section and inserting in lieu thereof the following:

17 **260F.3 Eligible business.**

18 To be eligible for financial assistance for a project under  
19 this chapter, a business shall meet all of the following  
20 conditions:

21 1. Is manufacturing, processing, or assembling products  
22 for sale in interstate or intrastate commerce, is conducting  
23 eligible research and development in this state, is engaged  
24 in the business of commercial construction, or is providing  
25 services in interstate commerce.

26 2. Is not a retail business, a health care business, or a  
27 business engaged in the provision of professional services.

28 3. Is proposing training for a project that cannot be  
29 economically funded under the industrial new jobs training  
30 program pursuant to chapter 260E.

31 4. Demonstrates a need for certain job skills not adequately  
32 represented among the business’s existing workforce.

33 5. Has not closed or substantially reduced operations in  
34 one area of the state in order to locate substantially the same  
35 operations to another area of the state.

1 6. Is not actively engaged in a strike, lockout, or other  
2 labor dispute in Iowa.

3 7. Is not currently receiving funding as an apprenticeship  
4 sponsor pursuant to section 260F.5. An entity participating  
5 as a member of a lead apprenticeship sponsor is eligible for  
6 purposes of this subsection if the entity has not already  
7 received training funds for an apprentice pursuant to section  
8 260F.5.

9 8. Meets any other conditions as established by the  
10 authority by rule.

11 Sec. 11. NEW SECTION. 260F.4 **Financial assistance for an**  
12 **eligible business.**

13 1. For each fiscal year, the authority shall make funds  
14 available to community colleges. The authority shall allocate,  
15 by formula, from the moneys in the fund an amount for each  
16 community college to be used to provide financial assistance  
17 to businesses whose applications have been approved by the  
18 authority. The financial assistance shall be provided by the  
19 authority from the amount set aside for that community college.  
20 If any portion of the moneys set aside for a community college  
21 have not been used or committed by May 1 of the fiscal year,  
22 that portion is available for use by the authority to provide  
23 financial assistance to businesses applying to other community  
24 colleges or directly to the authority. The authority shall  
25 adopt rules regarding the formula for moneys set aside for  
26 community colleges.

27 2. *a.* An eligible business may apply to the authority for  
28 financial assistance for a project.

29 *b.* The authority may establish by rule a maximum benefit  
30 amount for any one project and a maximum aggregate benefit  
31 amount that may be awarded to any one eligible business.

32 3. Financial assistance to eligible businesses shall be  
33 provided under the following terms and conditions:

34 *a.* For training that is conducted by community college  
35 faculty or staff, at a community college facility,

1 and according to a curriculum that complies with  
2 industry-recognized standards, the financial assistance shall  
3 be in the form of a grant or a forgivable loan in an amount  
4 equal to one hundred percent of the cost of the project.

5 *b.* If training in accordance with industry-recognized  
6 standards that results in a portable credential needed for a  
7 skilled trade is not available through a community college  
8 in close proximity to a business, the business can utilize a  
9 statewide industry association to facilitate training that  
10 utilizes industry-recognized standards, resulting in portable  
11 credentials for the specific skilled trade. For this type of  
12 training, the financial assistance shall be in the form of a  
13 grant or a forgivable loan in an amount equal to one hundred  
14 percent of the training costs incurred.

15 *c.* For a project other than one described in paragraph "*a*"  
16 or "*b*", the financial assistance shall be in the form of a loan  
17 in an amount equal to one hundred percent of the cost of the  
18 project to be disbursed initially but with a required future  
19 repayment of fifty percent of the cost of the project at an  
20 interest of zero percent.

21 *d.* Any other terms and conditions typically required by the  
22 authority when providing financial assistance.

23 4. Repayments shall be made to the authority. The authority  
24 shall deposit all repayments collected pursuant to this  
25 section in the fund and shall retain the moneys in the fund for  
26 redistribution for the purposes of this section. The authority  
27 shall adopt rules regarding repayment collection.

28 5. An eligible business applying for financial assistance  
29 under this section shall provide the following information to a  
30 community college, and a community college shall provide the  
31 following information to the authority:

32 *a.* A detailed description of the proposed project, an  
33 explanation of how the project would meet the business's  
34 skilled workforce needs, and an assessment regarding the  
35 feasibility of meeting the training needs through a community

1 college. The authority may require any information reasonably  
2 necessary to determine the necessity, suitability, and  
3 feasibility of the proposed project.

4 *b.* The date or dates on which the proposed project will be  
5 conducted.

6 *c.* The number of employees to be trained and the title and  
7 position description of each employee to be trained.

8 *d.* The estimated cost to the business of the proposed  
9 project.

10 *e.* Any other information the authority reasonably determines  
11 is necessary.

12 6. An eligible business receiving financial assistance  
13 pursuant to this section shall enter into an agreement with a  
14 community college regarding the project. The agreement shall  
15 include all provisions necessary for the implementation of this  
16 section and any provisions the authority typically includes in  
17 a contract for the provision of financial assistance.

18 Sec. 12. NEW SECTION. **260F.5 Financial assistance for an**  
19 **apprenticeship program.**

20 1. *a.* An apprenticeship sponsor or lead apprenticeship  
21 sponsor conducting apprenticeship programs in Iowa for  
22 apprentices who will be employed at Iowa worksites may apply to  
23 the authority for financial assistance under this section.

24 *b.* Financial assistance received by an apprenticeship  
25 sponsor or lead apprenticeship sponsor under this section shall  
26 be used only for the cost of conducting and maintaining an  
27 apprenticeship program.

28 2. The authority shall provide financial assistance to  
29 apprenticeship sponsors or lead apprenticeship sponsors in the  
30 following manner:

31 *a.* By determining the total amount of funding allocated for  
32 purposes of apprenticeship programs pursuant to section 260F.6.

33 *b.* By adding together all of the following:

34 (1) The total number of apprentices trained by all applying  
35 apprenticeship sponsors or lead apprenticeship sponsors during



1 the most recent training year as calculated on the last day of  
2 the training year.

3 (2) The total number of contact hours that apprenticeship  
4 instructors for all applying apprenticeship sponsors or lead  
5 apprenticeship sponsors spent in contact with apprentices  
6 during the most recent training year. For purposes of  
7 this subparagraph, "*contact hours*" includes the time spent  
8 instructing apprentices in-person or, in the case of a lead  
9 apprenticeship sponsor with programs totaling one hundred or  
10 more total instructional hours, "*contact hours*" includes the  
11 time spent in online training if the total amount of online  
12 instruction does not account for more than thirty percent of  
13 the total instructional hours.

14 c. By adding together all of the following:

15 (1) The total number of apprentices trained by a single  
16 applying apprenticeship sponsor or lead apprenticeship sponsor  
17 during the most recent training year as calculated on the last  
18 day of the training year.

19 (2) The total number of contact hours that apprenticeship  
20 instructors for a single applying apprenticeship sponsor or  
21 lead apprenticeship sponsor spent in contact with apprentices  
22 during the most recent training year. For purposes of  
23 this subparagraph, "*contact hours*" includes the time spent  
24 instructing apprentices in-person or, in the case of a lead  
25 apprenticeship sponsor with programs totaling one hundred or  
26 more total instructional hours, "*contact hours*" includes the  
27 time spent in online training if the total amount of online  
28 instruction does not account for more than thirty percent of  
29 the total instructional hours.

30 d. By determining the proportion, stated as a percentage,  
31 that a single applying apprenticeship sponsor's or lead  
32 apprenticeship sponsor's total calculated pursuant to paragraph  
33 "c" bears to all applying apprenticeship sponsors' or lead  
34 apprenticeship sponsors' total calculated pursuant to paragraph  
35 "b".

1 e. By multiplying the percentage calculated in paragraph "d"  
2 by the amount determined in paragraph "a".

3 3. An apprenticeship sponsor or lead apprenticeship sponsor  
4 seeking financial assistance under this section shall provide  
5 the following information to the authority:

6 a. The federal apprentice registration number of each  
7 apprentice in the apprenticeship program.

8 b. The address and a description of the physical location  
9 where in-person training is conducted.

10 c. A copy of the apprenticeship sponsor's training  
11 standards as most recently approved by the United States  
12 department of labor, office of apprenticeship or, in the case  
13 of a lead apprenticeship sponsor, a representative sample of  
14 participating members' training standards.

15 d. A copy of the apprenticeship sponsor's compliance audit  
16 as most recently conducted by the United States department of  
17 labor, office of apprenticeship, unless the apprenticeship  
18 sponsor has not been subjected to a compliance audit. In the  
19 case of a lead apprenticeship sponsor, a sampling of audits  
20 from participating members shall be sufficient.

21 e. Any other information the authority reasonably determines  
22 is necessary.

23 4. The apprenticeship sponsor or lead apprenticeship  
24 sponsor and the authority shall enter into an agreement  
25 regarding the provision of any financial assistance to the  
26 apprenticeship sponsor or lead apprenticeship sponsor.

27 Sec. 13. Section 260F.6, subsection 1, Code 2014, is amended  
28 to read as follows:

29 1. ~~There is established for the community colleges a A~~  
30 job training fund is created in the state treasury under the  
31 control of the economic development authority in the workforce  
32 development fund. The job training fund consists consisting of  
33 any moneys appropriated for the purposes of this chapter, plus  
34 the any interest and principal from repayment of advances made  
35 to businesses for program costs, plus the or earnings on moneys

1 in the fund, any repayments, including interest, of loans made  
2 from that retraining fund, and interest earned from moneys in  
3 the job training fund or recaptures of financial assistance  
4 provided from the fund, and any other moneys lawfully available  
5 to the authority that may be deposited in the fund.

6 Sec. 14. Section 260F.6, subsections 2 and 3, Code 2014,  
7 are amended by striking the subsections and inserting in lieu  
8 thereof the following:

9 2. Moneys in the fund are appropriated to the authority for  
10 purposes of providing financial assistance for job training  
11 pursuant to this chapter.

12 3. a. Of the moneys transferred or appropriated to the  
13 fund pursuant to section 15.343 or pursuant to any other  
14 appropriation, the authority shall allocate fifty percent of  
15 the moneys for purposes of section 260F.4 and fifty percent of  
16 the moneys for purposes of section 260F.5.

17 b. Notwithstanding paragraph "a", moneys from repayments and  
18 recaptures of funds loaned pursuant to section 260F.4 shall be  
19 allocated for purposes of section 260F.4.

20 Sec. 15. Section 260F.6, Code 2014, is amended by adding the  
21 following new subsections:

22 NEW SUBSECTION. 4. The authority may annually expend not  
23 more than two percent of moneys in the fund for administrative  
24 purposes. If the authority's administrative costs are less  
25 than two percent of the moneys in the fund, the authority shall  
26 expend the unused moneys for purposes of financial assistance.

27 NEW SUBSECTION. 5. A community college may retain not more  
28 than five percent of the disbursed amount for the purposes of  
29 administrative costs related to section 260F.4.

30 Sec. 16. Section 403.21, subsections 1 and 3, Code 2014, are  
31 amended to read as follows:

32 1. In order to promote communication and cooperation among  
33 cities, counties, and community colleges with respect to the  
34 allocation and division of taxes, no jobs training projects  
35 as defined in chapter 260E or 260F shall be undertaken within

1 the area of operation of a municipality after July 1, 1995,  
2 unless the municipality and the community college have entered  
3 into an agreement or have jointly adopted a plan relating  
4 to a community college's new jobs training program which  
5 shall provide for a procedure for advance notification to  
6 each affected municipality, for exchange of information, for  
7 mutual consultation, and for procedural guidelines for all  
8 such new jobs training projects, including related project  
9 financing to be undertaken within the area of operation of the  
10 municipality. The joint agreement or the plan shall state its  
11 precise duration and shall be binding on the community college  
12 and the municipality with respect to all new jobs training  
13 projects, including related project financing undertaken during  
14 its existence. The joint agreement or plan shall be effective  
15 upon adoption and shall be placed on file in the office of the  
16 secretary of the board of directors of the community college  
17 and such other location as may be stated in the joint agreement  
18 or plan. The joint agreement or plan shall also be sent to each  
19 school district which levied or certified for levy a property  
20 tax on any portion of the taxable property located in the area  
21 of operation of the municipality in the fiscal year beginning  
22 prior to the calendar year in which the plan is adopted or  
23 the agreement is reached. If no such agreement is reached or  
24 plan adopted, the community college shall not use incremental  
25 property tax revenues to fund jobs training projects within the  
26 area of operation of the municipality. Agreements entered into  
27 between a community college and a city or county pursuant to  
28 chapter 28E shall not apply.

29 3. ~~The community college shall send a copy of the final~~  
30 ~~agreement prepared pursuant to section 260F.3 to the economic~~  
31 ~~development authority.~~ For each year in which incremental  
32 property taxes are used to retire debt service on a jobs  
33 training advance issued for a project creating new jobs, the  
34 community college shall provide to the economic development  
35 authority a report of the incremental property taxes and new

1 jobs credits from withholding generated for that year, a  
2 specific description of the training conducted, the number of  
3 employees provided ~~program~~ services under the project, the  
4 median wage of employees in the new jobs in the project, and  
5 the administrative costs directly attributable to the project.

6 Sec. 17. Section 558.1, Code 2014, is amended to read as  
7 follows:

8 **558.1 "Instruments affecting real estate" defined —**  
9 **revocation.**

10 All instruments containing a power to convey, or in any  
11 manner relating to real estate, including certified copies of  
12 petitions in bankruptcy with or without the schedules appended,  
13 of decrees of adjudication in bankruptcy, and of orders  
14 approving trustees' bonds in bankruptcy, and a jobs training  
15 agreement entered into under chapter 260E ~~or 260F~~ between an  
16 employer and community college which contains a description  
17 of the real estate affected, shall be held to be instruments  
18 affecting the same; and no such instrument, when acknowledged  
19 or certified and recorded as in this chapter prescribed, can be  
20 revoked as to third parties by any act of the parties by whom it  
21 was executed, until the instrument containing such revocation  
22 is acknowledged and filed for record in the same office in  
23 which the instrument containing such power is recorded, except  
24 that uniform commercial code financing statements and financing  
25 statement changes as provided in chapter 554 need not be thus  
26 acknowledged.

27 Sec. 18. REPEAL. Sections 260F.6A, 260F.6B, 260F.7, and  
28 260F.8, Code 2014, are repealed.

29 Sec. 19. TRANSITION PROVISIONS.

30 1. A financial assistance award made or provided for in an  
31 agreement entered into pursuant to section 260F.3 prior to the  
32 effective date of this Act shall continue as provided in such  
33 agreement.

34 2. Loan payments or repayments and recaptures of principal,  
35 interest, or other moneys accruing on or after July 1, 2014,

1 pursuant to an agreement under section 260F.3, as in effect  
2 prior to July 1, 2014, shall be transferred to the job training  
3 fund created in section 260F.6, as amended by this Act.

4 EXPLANATION

5 The inclusion of this explanation does not constitute agreement with  
6 the explanation's substance by the members of the general assembly.

7 This bill relates to changes to the job training program and  
8 fund under Code chapter 260F. The bill amends the transfer of  
9 moneys from the workforce development fund to the job training  
10 fund and makes an appropriation. The bill is titled the "Iowa  
11 Apprenticeship and Job Training Act".

12 The bill amends the parties to the agreements under the job  
13 training program and the distribution of funds from the job  
14 training fund. Currently, a community college and a business  
15 enter into an agreement concerning a training arrangement. The  
16 bill provides instead that a community college or the economic  
17 development authority shall enter into an agreement with an  
18 eligible business concerning the training arrangement focused  
19 on meeting the workforce needs of the eligible business.

20 This training may occur through adult basic education,  
21 on-the-job training, job-related instruction, vocation and  
22 skill-assessment services and testing, tuition and classroom  
23 instruction for coursework at community colleges or regents  
24 institutions, and training equipment, supplies and materials.

25 The job training fund currently is established in the  
26 authority in the workforce development fund and the authority  
27 makes funds available to the community colleges by formula.  
28 The bill provides that the job training fund is created in the  
29 state treasury rather than within the workforce development  
30 fund. The bill transfers any appropriation provided for  
31 purposes of the chapter from the workforce development fund  
32 to the job training fund rather than allocating \$4 million  
33 for the purposes of Code chapter 260F. The bill also changes  
34 language from mandatory to permissive regarding the requirement  
35 of a match from all businesses participating in a job training

1 project pursuant to Code chapter 260F. The bill also states  
2 that 50 percent of the moneys in the job training fund is  
3 allocated for financial assistance to eligible businesses  
4 and 50 percent of the moneys in the job training fund is  
5 allocated for financial assistance to apprenticeship programs.  
6 However, repayments or recaptures of financial assistance to  
7 eligible businesses must be allocated for purposes of providing  
8 financial assistance for eligible businesses. The bill  
9 provides that the authority may not expend more than 2 percent  
10 of moneys in the fund for administrative purposes. The bill  
11 also provides that a community college may retain not more than  
12 5 percent of moneys disbursed for administrative costs.

13 In the job training Code chapter, the bill transfers the  
14 substance of the definition of an eligible business into its  
15 own Code section. In this Code chapter, the bill also adds  
16 definitions for "apprentice", "apprenticeable occupation",  
17 "apprenticeship program", "apprenticeship sponsor",  
18 "commencement date", "eligible research and development",  
19 "financial assistance", "fund", "lead apprenticeship sponsor",  
20 and "providing services in interstate commerce". The bill also  
21 strikes definitions for "date of commencement of the project",  
22 "jobs training program", "participating business", "program  
23 costs", and "program services" under the job training program  
24 Code chapter.

25 The bill requires the authority to allocate moneys to  
26 community colleges to be used to provide financial assistance  
27 to businesses whose applications for financial assistance have  
28 been approved by the authority. The authority shall adopt  
29 rules to establish the formula for allocating the moneys to the  
30 community colleges.

31 The bill provides that an eligible business may apply to  
32 the authority for financial assistance and the authority may  
33 establish a maximum benefit amount for any one project and a  
34 maximum benefit amount for an eligible business. To receive  
35 financial assistance, an eligible business must enter into an

1 agreement with the authority. The bill also provides what type  
2 of financial assistance may be offered dependent upon the type  
3 of training provided. Financial assistance is generally in the  
4 form of a loan in an amount equal to 100 percent of the cost  
5 of the project with required future repayment of 50 percent  
6 at 0 percent interest. However, if the training is provided  
7 by a statewide industry association that facilitates training  
8 utilizing industry-recognized standards resulting in portable  
9 credentials for the skilled trade, the financial assistance is  
10 in the form of a grant or forgivable loan in an amount equal  
11 to 100 percent of the cost of the training costs incurred.  
12 Financial assistance for a project conducted by community  
13 college faculty or staff at the community college is also in  
14 the form of a grant or forgivable loan in an amount equal to 100  
15 percent of the cost of the project.

16 The bill also provides that an apprenticeship sponsor or  
17 lead apprenticeship sponsor, as defined in the bill, may apply  
18 for financial assistance when that sponsor is conducting  
19 apprenticeship programs in Iowa for apprentices who will be  
20 employed at Iowa worksites. The bill specifies that financial  
21 assistance is to be allocated to apprenticeship sponsors or  
22 lead apprenticeship sponsors by the ratio of the total number  
23 of apprentices trained and number of contact hours for an  
24 apprenticeship sponsor or lead apprenticeship sponsor divided  
25 by the total number of apprentices trained and contact hours  
26 for all the apprenticeship sponsors or lead apprenticeship  
27 sponsors in the previous training year, then multiplied by the  
28 moneys allocated for financial assistance to apprenticeship  
29 sponsors. The bill provides that in order to receive financial  
30 assistance, the apprenticeship sponsor or lead apprenticeship  
31 sponsor and the authority must enter into an agreement.

32 The bill repeals Code sections relating to the authority's  
33 duty to coordinate the job training program and allocation of  
34 funding to community colleges as that no longer applies to the  
35 newly required agreements and available funding. The bill also



1 repeals Code sections relating to the business network training  
2 and the high technology apprenticeship program. The bill makes  
3 other related changes.

4 The bill provides transition provisions stating that  
5 financial assistance awards through the job training program  
6 made or provided for under agreements between community  
7 colleges and businesses entered into prior to July 1, 2014,  
8 remain in effect. The bill also states that loan payments,  
9 repayments, recaptures, and any other moneys accruing pursuant  
10 to those agreements shall be transferred to the job training  
11 fund, as amended by the bill.