

**House Study Bill 68 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
WORKFORCE DEVELOPMENT BILL)

**A BILL FOR**

1 An Act relating to workforce training, unemployment insurance,  
2 adult education, and other functions and programs of the  
3 department of workforce development, the workforce development  
4 board, and local workforce development boards, and making  
5 appropriations.

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

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DIVISION I

FUNCTIONS OF DEPARTMENT OF WORKFORCE DEVELOPMENT, WORKFORCE DEVELOPMENT BOARD, AND LOCAL WORKFORCE DEVELOPMENT BOARDS

Section 1. Section 15H.9, subsection 2, Code 2025, is amended to read as follows:

2. The commission may adopt rules pursuant to chapter 17A for approving Iowa national service corps programs and national service positions. Existing programs and service positions, including those established through the AmeriCorps programs in Iowa created pursuant to 42 U.S.C. §12501, Senior Corps and AmeriCorps vista in Iowa created pursuant to 42 U.S.C. §4950 et seq., the Iowa summer youth corps program created pursuant to section 15H.5, the Iowa green corps program created pursuant to section 15H.6, the Iowa reading corps program created pursuant to section 15H.7, and the RefugeeRISE AmeriCorps program created pursuant to section 15H.8, ~~and the Iowa conservation corps created pursuant to section 84A.7,~~ are part of the Iowa national service corps programs and national service positions.

Sec. 2. Section 84A.1, subsection 1, Code 2025, is amended to read as follows:

1. The department of workforce development is created to administer the laws of this state relating to unemployment compensation insurance, and job placement and training, ~~employment safety, labor standards, and workers' compensation.~~

Sec. 3. Section 84A.1A, subsection 6, Code 2025, is amended by striking the subsection and inserting in lieu thereof the following:

6. The workforce development board may establish standing committees of the board in the bylaws of the board.

Sec. 4. Section 84A.1A, subsection 7, paragraph a, Code 2025, is amended by striking the paragraph and inserting in lieu thereof the following:

a. All documents required by current federal workforce rules and regulations.

Sec. 5. Section 84A.1B, unnumbered paragraph 1, Code 2025, is

1 amended to read as follows:

2     The In addition to the duties outlined in current federal  
3 workforce rules and regulations, the workforce development board  
4 shall do ~~all of~~ the following:

5     Sec. 6. Section 84A.1B, subsections 1, 2, 3, 5, 6, 7, 8,  
6 9, 10, 11, 12, and 15, Code 2025, are amended by striking the  
7 subsections.

8     Sec. 7. Section 84A.1B, subsection 13, Code 2025, is amended  
9 by striking the subsection and inserting in lieu thereof the  
10 following:

11     13. Assist the governor in the designation of local workforce  
12 development areas or regions as outlined in current federal  
13 workforce rules and regulations.

14     Sec. 8. Section 84A.3, Code 2025, is amended by striking the  
15 section and inserting in lieu thereof the following:

16     **84A.3 Local workforce development plans.**

17     1. A local workforce development board shall, in partnership  
18 with the chief elected official, develop a local workforce  
19 development plan in accordance with current federal workforce  
20 laws, rules, and regulations. The local workforce development  
21 board shall submit the workforce development plan to the  
22 department of workforce development for review and approval in  
23 the manner and form determined by the department.

24     2. All local workforce plan modifications shall be submitted  
25 to the department of workforce development for review and  
26 approval in the manner and form determined by the department.  
27 Modifications to the local workforce development plan must be  
28 developed in accordance with current federal workforce laws,  
29 rules, and regulations.

30     3. The local workforce development plan and modifications  
31 shall include the contents required by current federal workforce  
32 laws, rules, and regulations, and such other information as  
33 the department of workforce development or the state workforce  
34 development board may require.

35     Sec. 9. Section 84A.5, subsection 1, paragraph a, Code 2025,

1 is amended to read as follows:

2     a. The workforce development system shall strive to provide  
3 high quality services to its customers including workers,  
4 families, and businesses. The department of workforce  
5 development shall maintain a common intake, assessment, and  
6 customer tracking system and to the extent practical provide  
7 one-stop services to customers at workforce development centers  
8 and other service access points. ~~The department of workforce  
9 development shall administer a statewide standard skills  
10 assessment to assess the employability skills of adult workers  
11 statewide and shall instruct appropriate department staff in  
12 the administration of the assessment. The assessment shall  
13 be included in the one-stop services provided to customers at  
14 workforce development centers and other service access points  
15 throughout the state.~~

16     Sec. 10. Section 84A.5, subsection 5, paragraphs a, b, and c,  
17 Code 2025, are amended by striking the paragraphs.

18     Sec. 11. Section 84A.5, subsection 7, Code 2025, is amended  
19 by striking the subsection.

20     Sec. 12. Section 84A.5, subsection 10, Code 2025, is amended  
21 to read as follows:

22     10. ~~The department of education, in collaboration with the  
23 department of workforce development,~~ is responsible for the  
24 development and oversight of industry and sector partnerships in  
25 the state.

26     Sec. 13. Section 84A.6, subsection 4, Code 2025, is amended  
27 by striking the subsection.

28     Sec. 14. Section 97B.1A, subsection 8, paragraph b,  
29 subparagraph (8), Code 2025, is amended by striking the  
30 subparagraph.

31     Sec. 15. Section 256.228, subsection 4, paragraph d, Code  
32 2025, is amended by striking the paragraph and inserting in lieu  
33 thereof the following:

34     d. In collaboration with the department of workforce  
35 development and the department of education, compile an annual

1 report, in an aggregate form to protect the confidentiality of  
2 each eligible program's participants, that includes the number of  
3 students receiving scholarships under this section, the number of  
4 students receiving grants under section 256.229, the number of  
5 scholarship and grant recipients completing a program of study  
6 or major annually and in the prescribed time frame under this  
7 section or section 256.229, the number of eligible institutions  
8 participating in the scholarship and grant programs established  
9 under this section or section 256.229, the number of written  
10 agreements entered into by the volunteer mentor program under  
11 section 15H.10, statistics on employment outcomes for future  
12 ready Iowa skilled workforce last-dollar scholarship and future  
13 ready Iowa skilled workforce grant program participants by  
14 industry, and other data as may be deemed pertinent by the  
15 commission, the department of workforce development, or the  
16 department of education. The commission shall submit the report  
17 to the governor and the general assembly annually by January 15.

18 Sec. 16. Section 256.229, subsection 4, paragraph d, Code  
19 2025, is amended to read as follows:

20 ~~d. Transmit to the department of workforce development~~ Use  
21 the compilation of information, data, and statistics submitted  
22 in accordance with subsection 1, paragraph "c", subparagraph (6),  
23 ~~for to compile~~ the annual report required under section ~~84A.1B~~  
24 256.228, subsection 4, paragraph "d".

25 Sec. 17. REPEAL. Sections 84A.7, 84A.8, 84A.9, 84A.10, and  
26 84A.11, Code 2025, are repealed.

27 DIVISION II

28 UNEMPLOYMENT INSURANCE — TAXABLE WAGES

29 Sec. 18. Section 96.1A, subsection 36, unnumbered paragraph  
30 1, Code 2025, is amended to read as follows:

31 "Taxable wages" means an amount of wages upon which an  
32 employer is required to contribute based upon wages ~~which that~~  
33 have been paid in this state during a calendar year to an  
34 individual by an employer or the employer's predecessor, ~~in this~~  
35 ~~state or another state which extends a like comity to this state,~~

1 ~~with respect to employment,~~ upon which the employer is required  
2 to contribute, which equals the greater of the following:

3 DIVISION III

4 IOWA STUDENT INTERNSHIP PROGRAM

5 Sec. 19. Section 84A.21, Code 2025, is amended to read as  
6 follows:

7 **84A.21 Iowa student internship program.**

8 1. As used in this section, unless the context otherwise  
9 requires:

10 a. ~~"Innovative business" means the same as defined in~~  
11 ~~section 15E.52~~ "Department" means the department of workforce  
12 development.

13 b. "Internship" means temporary employment of a student that  
14 focuses on providing the student with work experience in the  
15 student's field of study.

16 c. "Iowa student" means a student of an Iowa community  
17 college, private college, or institution of higher learning under  
18 the control of the state board of regents, or a student who  
19 graduated from high school in Iowa but now attends an institution  
20 of higher learning outside the state of Iowa.

21 2. a. ~~The department of workforce development shall~~  
22 ~~establish and administer an internship program with two~~  
23 ~~components for Iowa students. To the extent permitted by this~~  
24 ~~section, the department of workforce development shall administer~~  
25 ~~the two components in as similar a manner as possible.~~

26 b. ~~The purpose of the first component of the program is~~  
27 ~~to link Iowa students to small and medium-sized Iowa firms~~  
28 ~~through internship opportunities. An Iowa employer may receive~~  
29 ~~financial assistance on a matching basis for a portion of the~~  
30 ~~wages paid to an intern. If providing financial assistance, the~~  
31 ~~department of workforce development shall provide the assistance~~  
32 ~~on a reimbursement basis such that for every two dollars of~~  
33 ~~wages earned by the student, one dollar paid by the employer~~  
34 ~~is matched by one dollar from the department of workforce~~  
35 ~~development. The amount of financial assistance shall not exceed~~

~~1 three thousand one hundred dollars for any single internship,  
2 or nine thousand three hundred dollars for any single employer.  
3 In order to be eligible to receive financial assistance, the  
4 employer must have five hundred or fewer employees and must be  
5 an innovative business. The department of workforce development  
6 shall encourage youth who reside in economically distressed  
7 areas, youth adjudicated to have committed a delinquent act, and  
8 youth transitioning out of foster care to participate in the  
9 first component of the internship program.~~

10 ~~e.~~ (1) The purpose of the ~~second component of the program~~  
11 is to assist in placing Iowa students studying in the fields  
12 of science, technology, engineering, and mathematics into  
13 internships that lead to permanent positions with Iowa employers.  
14 The department of workforce development shall collaborate with  
15 eligible employers, including but not limited to innovative  
16 businesses, to ensure that the interns hired are studying in such  
17 fields. An Iowa employer may receive financial assistance on a  
18 matching basis for a portion of the wages paid to an intern.  
19 If providing financial assistance, the department of workforce  
20 development shall provide the assistance on a reimbursement  
21 basis such that for every two dollars of wages earned by the  
22 student, one dollar paid by the employer is matched by one  
23 dollar from the department of workforce development. The amount  
24 of financial assistance shall not exceed five thousand dollars  
25 per internship. The department of workforce development may  
26 adopt rules to administer this component section. ~~In adopting  
27 rules to administer this component, the department of workforce  
28 development shall adopt rules as similar as possible to those  
29 adopted pursuant to paragraph "b".~~

30 (2) The requirement to administer ~~this component of the~~  
31 internship program is contingent upon the provision of funding  
32 for such purposes by the general assembly.

33 3. a. An Iowa student internship fund is created in the  
34 state treasury under the control of the department of workforce  
35 development. The fund shall consist of moneys appropriated to

1 the department of ~~workforce development~~ and any other moneys  
2 available to, obtained, or accepted by the department of  
3 ~~workforce development~~ for placement in the fund.

4 b. Payments of interest, repayments of moneys loaned pursuant  
5 to this section, and recaptures of financial assistance shall  
6 be credited to the fund. Moneys in the fund are not subject  
7 to section 8.33. Notwithstanding section 12C.7, interest or  
8 earnings on moneys in the fund shall be credited to the fund.

9 c. Moneys in the fund are appropriated to the department  
10 of ~~workforce development~~ and, with the approval of the Iowa  
11 workforce development board, shall be used to increase the  
12 availability of skilled workers in innovative businesses, by  
13 providing Iowa student internship opportunities. Such moneys  
14 shall not be used for the support of retail businesses, health  
15 care businesses, or other businesses requiring a professional  
16 license.

17 Sec. 20. APPROPRIATION — IOWA STUDENT INTERNSHIP FUND.

18 There is appropriated from the general fund of the state to the  
19 department of workforce development for the fiscal year beginning  
20 July 1, 2025, and ending June 30, 2026, the following amount, or  
21 so much thereof as is necessary, to be used for the purposes  
22 designated:

23 For deposit in the Iowa student internship fund created in  
24 section 84A.21:

25 ..... \$ 1,039,425

26 DIVISION IV

27 ADULT EDUCATION AND LITERACY PROGRAMS

28 Sec. 21. Section 84A.5, subsection 5, paragraph n, Code 2025,  
29 is amended to read as follows:

30 n. Adult education and literacy programs ~~with community~~  
31 colleges under section 84A.19.

32 Sec. 22. Section 84A.19, Code 2025, is amended to read as  
33 follows:

34 **84A.19 Adult education and literacy programs.**

35 1. For purposes of this section, unless the context otherwise



1 posting system of education-related job openings, and functions  
2 no longer under the department pursuant to 2023 Iowa Acts, Senate  
3 File 514.

4 The division repeals Code provisions for the Iowa conservation  
5 corps, the workforce investment program, the statewide mentoring  
6 program, the new employment opportunity program, and the nursing  
7 workforce data clearinghouse.

8 The division generally transfers duties relating to compiling  
9 an annual report for submission to the governor and general  
10 assembly on various workforce training programs from the  
11 department to the college student aid commission.

12 The division strikes requirements for the department to  
13 collaborate with specified education-related entities when  
14 performing certain duties.

15 The division strikes detailed language relating to duties of  
16 the workforce development board concerning standing committees,  
17 public availability of information, comprehensive state workforce  
18 development plans, recommendations on the use of federal funds,  
19 and various other duties. The division generally provides that  
20 such duties shall be carried out as required by federal law. The  
21 division similarly modifies duties of local workforce development  
22 boards relating to local workforce development plans.

23 DIVISION II — UNEMPLOYMENT INSURANCE — TAXABLE WAGES. This  
24 division modifies the definition of "taxable wages" for purposes  
25 of unemployment insurance taxes on employers by eliminating the  
26 wages paid to an employee from another state from the calculation  
27 of wages upon which an employer is required to contribute to the  
28 unemployment compensation fund when the other state extends a  
29 like comity (reciprocity) to Iowa for employment purposes. The  
30 division specifies that only wages paid in Iowa can constitute  
31 taxable wages.

32 DIVISION III — IOWA STUDENT INTERNSHIP PROGRAM. This  
33 division strikes one of two components of the Iowa student  
34 internship program administered by the department. The component  
35 providing for financial assistance to link Iowa students to small

1 and medium-sized Iowa firms is stricken. The component providing  
2 for financial assistance to place Iowa students studying in the  
3 fields of science, technology, engineering, and mathematics into  
4 internships that lead to permanent positions with Iowa employers  
5 is retained.

6 The division appropriates \$1,039,425 from the general fund to  
7 the department for the Iowa student internship fund. Moneys in  
8 the fund are used to increase the availability of skilled workers  
9 in innovative businesses by providing Iowa student internship  
10 opportunities.

11 DIVISION IV — ADULT EDUCATION AND LITERACY PROGRAMS. Under  
12 current law, the department and community colleges are required  
13 to implement and set standards for certain adult education and  
14 literacy programs. This division strikes references to community  
15 colleges so that only the department has these duties.

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