

Senate File 2168 - Reprinted

SENATE FILE 2168
BY COMMITTEE ON WORKFORCE

(SUCCESSOR TO SSB 3044)

(As Amended and Passed by the Senate March 5, 2026)

A BILL FOR

1 An Act relating to programs and procedures of the department
2 of workforce development and including effective date
3 provisions.

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

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DIVISION I

REEMPLOYMENT CASE MANAGEMENT PROGRAM

Section 1. Section 96.4, subsection 3, paragraph a, Code 2026, is amended to read as follows:

a. The individual is able to work, is available for work, and is earnestly and actively seeking work. An individual is considered to be earnestly and actively seeking work if the individual is participating in and compliant with the department's reemployment case management program under

section 96.11, subsection 17. This subsection is waived if the individual is deemed partially unemployed, while employed at the individual's regular job, as defined in section 96.1A, subsection 37, paragraph "b", subparagraph (1), or temporarily unemployed as defined in section 96.1A, subsection 37, paragraph "c". The work search requirements of this subsection and the disqualification requirement for failure to apply for, or to accept suitable work of section 96.5, subsection 3, are waived if the individual is not disqualified for benefits under section 96.5, subsection 1, paragraph "h".

Sec. 2. Section 96.11, Code 2026, is amended by adding the following new subsection:

NEW SUBSECTION. 17. *Reemployment case management program.* The department, as a required part of its administration of unemployment compensation benefits, shall operate a reemployment case management program. The program shall provide individualized reemployment services to claimants who are no longer attached to work. The services shall begin as soon as the week after, and not later than two weeks after, the filing of an initial claim for benefits. The department shall adopt rules pursuant to chapter 17A regarding participation in the reemployment case management program.

DIVISION II

UNEMPLOYMENT BENEFITS — MEANS OF COMMUNICATION

Sec. 3. Section 96.6, subsection 2, Code 2026, is amended to read as follows:

1 2. *Initial determination.* A representative designated by
2 the director shall promptly notify all interested parties to
3 the claim of its filing, and the parties have ten days from the
4 date of issuance of the notice of the filing of the claim to
5 protest payment of benefits to the claimant. ~~All interested~~
6 ~~parties shall select a format as specified by the department~~
7 ~~to receive such notifications.~~ The representative shall
8 promptly examine the claim and any protest, take the initiative
9 to ascertain relevant information concerning the claim, and,
10 on the basis of the facts found by the representative, ~~shall~~
11 determine whether or not the claim is valid, the week with
12 respect to which benefits shall commence, the weekly benefit
13 amount payable and its maximum duration, and whether any
14 disqualification shall be imposed. The claimant has the burden
15 of proving that the claimant meets the basic eligibility
16 conditions of [section 96.4](#). The employer has the burden of
17 proving that the claimant is disqualified for benefits pursuant
18 to [section 96.5](#), except as provided by [this subsection](#). The
19 claimant has the initial burden to produce evidence showing
20 that the claimant is not disqualified for benefits in cases
21 involving [section 96.5, subsections 10 and 11](#), and has the
22 burden of proving that a voluntary quit pursuant to section
23 96.5, subsection 1, was for good cause attributable to the
24 employer and that the claimant is not disqualified for benefits
25 in cases involving [section 96.5, subsection 1](#), paragraphs
26 "a" through "h". Unless the claimant or other interested
27 party, after notification or within ten calendar days after
28 notification was issued, files an appeal from the decision,
29 the decision is final and benefits shall be paid or denied
30 in accordance with the decision. If an administrative law
31 judge affirms a decision of the representative, or the appeal
32 board affirms a decision of the administrative law judge
33 allowing benefits, the benefits shall be paid regardless of any
34 appeal ~~which~~ that is thereafter taken, but if the decision is
35 finally reversed, no employer's account shall be charged with

1 benefits so paid and this relief from charges shall apply to
2 both contributory and reimbursable employers, notwithstanding
3 section 96.8, subsection 5.

4 Sec. 4. Section 96.6, subsection 3, paragraph a, Code 2026,
5 is amended to read as follows:

6 a. Unless the appeal is withdrawn, an administrative law
7 judge, after affording the parties reasonable opportunity for
8 fair hearing, shall affirm or modify the findings of fact and
9 decision of the representative. The hearing shall be conducted
10 pursuant to the provisions of [chapter 17A](#) relating to hearings
11 for contested cases. Before the hearing is scheduled, the
12 parties shall be afforded the opportunity to choose either
13 a telephone hearing or an in-person hearing. A request for
14 an in-person hearing shall be approved unless the in-person
15 hearing would be impractical because of the distance between
16 the parties to the hearing. The notice for a telephone or
17 in-person hearing shall be ~~sent~~ provided to all the parties at
18 least ten calendar days before the hearing date. Reasonable
19 requests for the postponement of a hearing shall be granted.
20 The parties shall be duly notified of the administrative law
21 judge's decision, together with the administrative law judge's
22 reasons for the decision, which is the final decision of the
23 department, unless within fifteen days after the date of
24 ~~notification~~ the decision or ~~mailing of~~ the date the decision
25 becomes available in the department's online portal, further
26 appeal is initiated pursuant to [this section](#).

27 Sec. 5. Section 96.7, subsection 2, paragraph a,
28 subparagraph (6), Code 2026, is amended to read as follows:

29 (6) Within forty days after the close of each calendar
30 quarter, the department shall notify each employer of the
31 amount of benefits charged to the employer's account during
32 that quarter. The notification shall show the name of each
33 individual to whom benefits were paid, the individual's
34 social security number, and the amount of benefits paid to
35 the individual. An employer ~~which~~ that has not been notified

1 as provided in [section 96.6, subsection 2](#), of the allowance
2 of benefits to an individual, may within thirty days after
3 the date ~~of mailing of the notification~~ the decision becomes
4 available in the department's online portal appeal to the
5 department for a hearing to determine the eligibility of the
6 individual to receive benefits. The appeal shall be referred
7 to an administrative law judge for hearing and the employer and
8 the individual shall receive notice of the time and place of
9 the hearing.

10 Sec. 6. Section 96.7, subsection 2, paragraph e,
11 subparagraph (1), Code 2026, is amended to read as follows:

12 (1) The department shall fix the contribution rate for each
13 employer and notify the employer of the rate by ~~regular mail to~~
14 ~~the last known address of the employer~~ electronic mail stating
15 that the rate is available in the department's online portal.

16 An employer may appeal to the department for a revision of
17 the contribution rate within thirty days from the date of the
18 notice to the employer. After providing an opportunity for
19 a hearing, the department may affirm, set aside, or modify
20 its former determination and may grant the employer a new
21 contribution rate. The department shall notify the employer
22 of its decision by ~~regular mail~~ electronic mail stating that
23 the decision is available in the department's online portal.
24 Judicial review of action of the department may be sought
25 pursuant to [chapter 17A](#).

26 Sec. 7. Section 96.7, subsection 4, Code 2026, is amended
27 to read as follows:

28 4. *Employer liability determination.*

29 a. The department shall initially determine all questions
30 relating to the liability of an employing unit or employer,
31 including the amount of contribution, the contribution rate,
32 and successorship. A copy of the initial determination
33 shall be ~~sent by regular mail to the last address, according~~
34 ~~to the records of the department, of~~ made available in the
35 department's online portal for each affected employing unit or

1 employer.

2 *b.* The affected employing unit or employer may appeal in
3 writing to the department from the initial determination.
4 An appeal shall not be entertained for any reason by the
5 department unless the appeal is filed with the department
6 within thirty days from the date on which the initial
7 determination ~~is mailed~~ becomes available in the department's
8 online portal. If an appeal is not so filed, the initial
9 determination shall with the expiration of the appeal period
10 become final and conclusive in all respects and for all
11 purposes.

12 *c.* A hearing on an appeal shall be conducted according to
13 rules adopted by the department pursuant to [chapter 17A](#). A
14 copy of the decision of the administrative law judge shall
15 ~~be sent by regular mail to the last address, according to~~
16 ~~the records of the department, of~~ made available in the
17 department's online portal for each affected employing unit or
18 employer.

19 *d.* The department's decision on the appeal shall be final
20 and conclusive as to the liability of the employing unit or
21 employer unless the employing unit or employer files an appeal
22 for judicial review pursuant to subsection 5 within thirty
23 days after the date ~~of mailing of the decision as provided~~
24 ~~in [subsection 5](#)~~ becomes available in the department's online
25 portal.

26 Sec. 8. Section 96.7, subsection 8, paragraph b,
27 subparagraph (2), Code 2026, is amended to read as follows:

28 (2) The nonprofit organization shall pay the bill not
29 later than thirty days after the date the bill ~~was mailed~~
30 ~~or otherwise delivered to the last known address of the~~
31 ~~nonprofit organization~~ becomes available in the department's
32 online portal, unless the nonprofit organization has filed an
33 application for redetermination in accordance with subparagraph
34 (4).

35 Sec. 9. Section 96.7, subsection 8, paragraph b,

1 subparagraph (4), Code 2026, is amended to read as follows:

2 (4) The amount due specified in a bill from the department
3 is conclusive unless, not later than fifteen days following the
4 date the bill ~~was mailed or otherwise delivered to the last~~
5 ~~known address of the nonprofit organization~~ becomes available
6 in the department's online portal, the nonprofit organization
7 files an application for redetermination with the department
8 setting forth the grounds for the application. The department
9 shall promptly review the amount due specified in the bill
10 and shall issue a redetermination. The redetermination
11 is conclusive on the nonprofit organization unless, within
12 thirty days after the ~~mailing of the notification~~ date the
13 redetermination becomes available in the department's online
14 portal, the nonprofit organization appeals to the department
15 for a hearing to determine the eligibility of the individual
16 to receive benefits. The appeal shall be referred to an
17 administrative law judge for hearing, and the employer and the
18 individual shall receive notice of the time and place of the
19 hearing.

20 Sec. 10. Section 96.11, Code 2026, is amended by adding the
21 following new subsection:

22 NEW SUBSECTION. 18. *Alternative to electronic*
23 *communications.* Notwithstanding the provisions of this chapter
24 that require employers and individuals to provide information
25 to the department by electronic means, and the department
26 to provide notifications to an employer or an individual by
27 electronic means, the director shall establish by rule an
28 alternate method or methods for employers and individuals to
29 provide the required information to the department and for the
30 department to provide the required notifications to an employer
31 or an individual in circumstances when it is established, to
32 the satisfaction of the director or the director's designee,
33 that the employer or individual is unable to provide the
34 information to the department by electronic means or is unable
35 to receive notifications from the department by electronic

1 means.

2 DIVISION III

3 SUMMER YOUTH INTERN PILOT PROGRAM — REPEAL

4 Sec. 11. Section 84A.1B, subsection 3, unnumbered paragraph
5 1, Code 2026, is amended to read as follows:

6 Create, and update as necessary, a list of high-demand jobs
7 statewide for purposes of the future ready Iowa registered
8 apprenticeship programs created in [chapter 84F](#), ~~the summer~~
9 ~~youth intern pilot program established under [section 84A.12](#),~~
10 the Iowa employer innovation program established under section
11 84A.13, the future ready Iowa skilled workforce last-dollar
12 scholarship program established under [section 256.228](#), the
13 future ready Iowa skilled workforce grant program established
14 under [section 256.229](#), and postsecondary summer classes
15 for high school students as provided under section 261E.8,
16 subsection 8. In addition to the list created by the workforce
17 development board under [this subsection](#), each community
18 college, in consultation with regional career and technical
19 education planning partnerships, and with the approval of the
20 board of directors of the community college, may identify and
21 maintain a list of not more than five regional high-demand jobs
22 in the community college region, and shall share the lists
23 with the workforce development board. The lists submitted by
24 community colleges under the subsection may be used in that
25 community college region for purposes of programs identified
26 under [this subsection](#). The workforce development board
27 shall have full discretion to select and prioritize statewide
28 high-demand jobs after consulting with business and education
29 stakeholders, as appropriate, and seeking public comment. The
30 workforce development board may add to the list of high-demand
31 jobs as it deems necessary. For purposes of [this subsection](#),
32 "high-demand job" means a job in the state that the board, or
33 a community college in accordance with [this subsection](#), has
34 identified in accordance with [this subsection](#). In creating
35 a list under [this subsection](#), the following criteria, at a

1 minimum, shall apply:

2 Sec. 12. REPEAL. Section 84A.12, Code 2026, is repealed.

3 Sec. 13. EFFECTIVE DATE. This division of this Act takes
4 effect June 30, 2026.

5 DIVISION IV

6 MEMBERSHIP OF WORKFORCE DEVELOPMENT BOARD

7 Sec. 14. Section 84A.1A, subsection 1, paragraph a, Code
8 2026, is amended by adding the following new subparagraph:
9 NEW SUBPARAGRAPH. (07) The state director of adult
10 education.

11 Sec. 15. Section 84A.1A, subsection 1, paragraph a,
12 subparagraph (7), subparagraph division (a), unnumbered
13 paragraph 1, Code 2026, is amended to read as follows:

14 ~~Ten~~ Twelve members who shall be representatives of
15 businesses in the state to whom each of the following applies,
16 and at least one of whom shall represent small businesses as
17 defined by the United States small business administration:

18 Sec. 16. Section 84A.1A, subsection 1, paragraph a,
19 subparagraph (7), subparagraph division (b), unnumbered
20 paragraph 1, Code 2026, is amended to read as follows:

21 ~~Four~~ Five members who shall be representatives of the
22 workforce in the state and who shall include all of the
23 following:

24 DIVISION V

25 UNEMPLOYMENT COMPENSATION RESERVE FUND — TRANSFER TO
26 UNEMPLOYMENT TRUST FUND

27 Sec. 17. 2024 Iowa Acts, chapter 1162, section 21, is
28 amended to read as follows:

29 SEC. 21. UNEMPLOYMENT COMPENSATION RESERVE FUND — TRANSFER
30 TO ~~WORKFORCE OPPORTUNITY~~ UNEMPLOYMENT TRUST FUND.

31 ~~1. Any moneys appropriated to the department of workforce~~
32 ~~development for purposes of present in the unemployment~~
33 compensation reserve fund established pursuant to section
34 96.9, Code 2024, that remain unencumbered or unobligated as of
35 July 1, ~~2024~~ 2026, ~~but not more than thirty million dollars,~~

1 shall be deposited in the workforce opportunity fund created
2 in ~~section 84A.20~~, if enacted by this division of this Act
3 transferred to the account of this state in the unemployment
4 trust fund, established and maintained pursuant to section
5 904 of the federal Social Security Act as amended; provided,
6 however, that any interest earned on moneys in the unemployment
7 compensation reserve fund shall be transferred to the special
8 employment security contingency fund established pursuant to
9 section 96.13, subsection 3.

10 2. ~~Any moneys remaining in the unemployment compensation~~
11 ~~reserve fund after the deposit described in subsection 1 shall~~
12 ~~be transferred to the account of this state in the unemployment~~
13 ~~trust fund; provided, however, that any interest earned on~~
14 ~~moneys remaining in the unemployment compensation reserve~~
15 ~~fund after the deposit described in subsection 1 shall be~~
16 ~~transferred to the special employment security contingency~~
17 ~~fund.~~