SENATE FILE 2168
BY COMMITTEE ON WORKFORCE

(SUCCESSOR TO SSB 3044)

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

_____ and [= New Language by the Senate

A BILL FOR

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

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

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:

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

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

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

a. Unless the appeal is withdrawn, an administrative law judge, after affording the parties reasonable opportunity for fair hearing, shall affirm or modify the findings of fact and decision of the representative. The hearing shall be conducted pursuant to the provisions of chapter 17A relating to hearings for contested cases. Before the hearing is scheduled, the parties shall be afforded the opportunity to choose either a telephone hearing or an in-person hearing. A request for an in-person hearing shall be approved unless the in-person hearing would be impractical because of the distance between the parties to the hearing. The notice for a telephone or in-person hearing shall be ~~sent~~ provided to all the parties at least ten calendar days before the hearing date. Reasonable requests for the postponement of a hearing shall be granted. The parties shall be duly notified of the administrative law judge's decision, together with the administrative law judge's reasons for the decision, which is the final decision of the department, unless within fifteen days after the date of ~~notification~~ the decision or ~~mailing of~~ the date the decision becomes available in the department's online portal, further appeal is initiated pursuant to this section.

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

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

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

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

(1) The department shall fix the contribution rate for each employer and notify the employer of the rate by ~~regular mail to the last known address of the employer~~ electronic mail stating that the rate is available in the department's online portal. An employer may appeal to the department for a revision of the contribution rate within thirty days from the date of the notice to the employer. After providing an opportunity for a hearing, the department may affirm, set aside, or modify its former determination and may grant the employer a new contribution rate. The department shall notify the employer of its decision by ~~regular mail~~ electronic mail stating that the decision is available in the department's online portal. Judicial review of action of the department may be sought pursuant to chapter 17A.

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

4. *Employer liability determination.*

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

employer.

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

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

d. The department's decision on the appeal shall be final and conclusive as to the liability of the employing unit or employer unless the employing unit or employer files an appeal for judicial review pursuant to subsection 5 within thirty days after the date ~~of mailing of~~ the decision ~~as provided in subsection 5~~ becomes available in the department's online portal.

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

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

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

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

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

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

NEW SUBSECTION. 18. *Alternative to electronic communications.* Notwithstanding the provisions of this chapter that require employers and individuals to provide information to the department by electronic means, and the department to provide notifications to an employer or an individual by electronic means, the director shall establish by rule an alternate method or methods for employers and individuals to provide the required information to the department and for the department to provide the required notifications to an employer or an individual in circumstances when it is established, to the satisfaction of the director or the director's designee, that the employer or individual is unable to provide the information to the department by electronic means or is unable to receive notifications from the department by electronic

means.

DIVISION III

SUMMER YOUTH INTERN PILOT PROGRAM — REPEAL

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

Create, and update as necessary, a list of high-demand jobs statewide for purposes of the future ready Iowa registered apprenticeship programs created in chapter 84F, ~~the summer youth intern pilot program established under section 84A.12,~~ the Iowa employer innovation program established under section 84A.13, the future ready Iowa skilled workforce last-dollar scholarship program established under section 256.228, the future ready Iowa skilled workforce grant program established under section 256.229, and postsecondary summer classes for high school students as provided under section 261E.8, subsection 8. In addition to the list created by the workforce development board under this subsection, each community college, in consultation with regional career and technical education planning partnerships, and with the approval of the board of directors of the community college, may identify and maintain a list of not more than five regional high-demand jobs in the community college region, and shall share the lists with the workforce development board. The lists submitted by community colleges under the subsection may be used in that community college region for purposes of programs identified under this subsection. The workforce development board shall have full discretion to select and prioritize statewide high-demand jobs after consulting with business and education stakeholders, as appropriate, and seeking public comment. The workforce development board may add to the list of high-demand jobs as it deems necessary. For purposes of this subsection, *"high-demand job"* means a job in the state that the board, or a community college in accordance with this subsection, has identified in accordance with this subsection. In creating a list under this subsection, the following criteria, at a

minimum, shall apply:

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

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

DIVISION IV

MEMBERSHIP OF WORKFORCE DEVELOPMENT BOARD

Sec. 14. Section 84A.1A, subsection 1, paragraph a, Code 2026, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (07) The state director of adult education.

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

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

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

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

DIVISION V

UNEMPLOYMENT COMPENSATION RESERVE FUND — TRANSFER TO UNEMPLOYMENT TRUST FUND

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

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

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

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

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