

Kim Reynolds, Governor  
Adam Gregg, Lt. Governor  
Beth Townsend, Director



November 29, 2021

DEPARTMENT MEMORANDUM

To: Legislative Services Agency

The Iowa Department of Workforce Development brings two items to the legislative session this year.

First, current law does not specify which classifications of employees are eligible for Voluntary Shared Work. Employers have requested to base the reduction of hours on a work week that exceeds 40 hours since the current law does not specify anything that prevents that. The current law does not reference eligibility for part-time employees which has led some employers to assume they are not eligible for the program. Because this is not stated, additional time is spent correcting employer submissions and coaching employers. There is also confusion among employers as to whether layoffs can take place outside of the approved work unit.

We would like to add that the reduction of hours cannot be based on a work week greater than 40 ours. We would also like to add that part-time employees are eligible for VSW. Part time employees should have the same reduction in hours as the other employees in the same work group and the reduction must be equal to not less than twenty percent and not more than fifty percent of the normal weekly hours of work for the employee.

Our second proposal is to codify an existing agency procedure. Iowa Code § 96.3(7) is silent as to chargeability when a benefit allowance decision is reversed at the lower level appeal and the employer failed to participate in the fact-finding interview through no fault of their own. Administrative Law Judges have been waiving charges in these instances in the interest of justice, but nothing in the Code compels them to. Language should be added to § 96.3 to require waiver when the ALJ finds that the employer's lack of participation was due to circumstances other than those that they control.

These proposals are intended to further strengthen the operation of the Iowa Unemployment Insurance Trust Fund and to better apply the intent of existing law.

Respectfully,

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