

of the child to the extent that the legal custodial relationship between the child and a parent should be severed. Before ruling upon the joint custody petition in these cases, the court may require the parties to participate in custody mediation ~~counseling~~ to determine whether joint custody is in the best interest of the child. The court may require the child's participation in the mediation ~~counseling~~ insofar as the court determines the child's participation is advisable.

The costs of custody mediation ~~counseling~~ shall be paid in full or in part by the parties and taxed as court costs.

Approved May 19, 1995

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**CHAPTER 184**  
**WORKFORCE DEVELOPMENT**  
*H.F. 573*

**AN ACT** relating to economic development by establishing a workforce development fund, providing for the transfer of certain employer withholding amounts to the workforce development fund, and establishing a loan loss reserve program.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. NEW SECTION. 15.341 **WORKFORCE DEVELOPMENT FUND PROGRAM.**

This part shall be known as the "Workforce Development Fund" program.

Sec. 2. NEW SECTION. 15.342 **PURPOSE.**

The purpose of this part shall be to provide a mechanism for funding workforce development programs listed in section 15.343, subsection 2, in order to more efficiently meet the needs identified within those individual programs.

Sec. 3. NEW SECTION. 15.343 **WORKFORCE DEVELOPMENT FUND.**

1. A workforce development fund is created as a revolving fund in the state treasury under the control of the department consisting of any moneys appropriated by the general assembly for that purpose and any other moneys available to and obtained or accepted by the department from the federal government or private sources for placement in the fund. The fund shall also include all of the following:

a. Notwithstanding section 8.33, all unencumbered and unobligated funds from 1994 Iowa Acts, chapter 1201, section 1, subsection 6, except paragraph "d", section 3, subsections 1 and 3, and section 10, remaining on July 1, 1995, and all unencumbered and unobligated funds in the Iowa conservation corps escrow account established in section 15.229 and the job training fund established in section 260F.6.

b. The loan loss reserve account created in sections 15.345 and 15.346.

c. Repayment moneys pursuant to section 422.16A, up to a maximum of two million dollars each year.

Notwithstanding section 8.33, moneys in the workforce development fund at the end of each fiscal year shall not revert to any other fund but shall remain in the workforce development fund for expenditure for subsequent fiscal years.

2. The assets of the fund shall be used by the department for the following programs and purposes:

a. The Iowa conservation corps created in sections 15.224 through 15.230.

- b. Apprenticeship programs under section 260C.44.
  - c. The job training programs created in chapter 260F.
  - d. The loan loss reserve program.
  - e. For the workforce investment program under section 15.348.
3. The director shall submit annually at a regular or special meeting preceding the beginning of the fiscal year, for approval by the economic development board, the proposed allocation of funds from the workforce development fund to be made for that fiscal year for the programs and purposes contained in subsection 2. The director shall also submit a copy of the proposed allocation to the chairpersons of the joint economic development appropriations subcommittee of the general assembly. Subject to approval under section 8.39 for transfer of allocations between programs contained in subsection 2, the plan may provide for increased or decreased allocations if the demand for a program indicates that the need is greater or lesser than the allocation for that program. The director shall report on a quarterly basis to the board on the status of the funds and may present proposed revisions for approval by the board in January and April of each year. The director shall also provide quarterly reports to the legislative fiscal bureau on the status of the funds. Unobligated and unencumbered moneys remaining in the workforce development fund or any of its accounts on June 30 of each year shall be considered part of the fund for purposes of the next year's allocation.

Sec. 4. NEW SECTION. 15.345 LOAN LOSS RESERVE ACCOUNT ESTABLISHED.

A loan loss reserve account is created within the workforce development fund to be used by the department to encourage small and medium sized businesses to invest in training for their existing employees.

Sec. 5. NEW SECTION. 15.346 PURPOSE - AUTHORIZED LOANS.

1. Funds in the loan loss reserve account shall be used to guarantee the payment of the principal, interest, and other amounts outstanding under each loan for which a guarantee was given under this section if the loan is made by an approved financial institution to an employer that is or will be located wholly or partially within the state. The account funds shall be used to pay the principal, interest, and other amounts outstanding if the loan delinquency extends for the number of days specified in the applicable guarantee agreement between the department and any third party with which the department may enter into a contract pursuant to this section, or if any other loan default remains uncured.

2. Loans for which a guarantee is given under this section may be used for any of the following educational or job training purposes:

- a. Training program administration and development expenses.
- b. Training course material development, acquisition, and installation costs.
- c. All wages, salaries, benefits, and other expenses of trainer-employees, and the wages, salaries, benefits, travel, and lodging expenses of other employees while receiving or performing training.
- d. Tuition, fees, and expenses relating to seminars, conferences, and other outside training events.
- e. Third-party training provider salaries, fees, or contract amounts.
- f. Tuition and fees paid to postsecondary institutions or trade or technical schools.
- g. Books, videos, and other training materials.
- h. Training-related equipment rental or acquisition.
- i. Training-related facilities' rental, remodeling, or renovation.
- j. The cost of registered apprenticeship programs and other education-related or job training expenses.

3. The department may enter into contracts with employers, financial or other entities, and other state agencies or instrumentalities as it determines are appropriate to carry out the purpose of the account. The department shall coordinate this program with the Iowa college student aid commission and the Iowa finance authority.

Sec. 6. NEW SECTION. 15.347 WORKFORCE INVESTMENT PROGRAM ESTABLISHED.

A workforce investment program is established to enable more Iowans to enter or reenter the workforce.

Sec. 7. NEW SECTION. 15.348 PURPOSE.

1. The workforce investment program shall provide training and support services to population groups that have historically faced barriers to employment and which have been difficult to serve in traditional training programs due to such factors as eligibility guidelines, gaps in services available, or other constraints.

2. Program funds shall be used to contract with local entities through a competitive procurement process that emphasizes strong collaboration between existing local programs and organizations.

3. Priority shall be given to training programs that will target displaced homemakers and welfare recipients in order to enable them to achieve self-sufficiency.

4. The department shall administer the workforce investment program and shall adopt rules governing its operation and eligibility guidelines for participation.

Sec. 8. Section 260F.6, subsection 1, Code 1995, is amended to read as follows:

1. There is established for the community colleges a ~~community college~~ job training fund in the department of economic development in the workforce development fund. The ~~community college~~ job training fund consists of moneys appropriated ~~for the fiscal year beginning July 1, 1987, and for succeeding fiscal years~~ for the purposes of this chapter plus the interest and principal from repayment of advances made to businesses for program costs, ~~moneys transferred from the Iowa employment retraining fund to the community college job training fund on July 1, 1992,~~ plus the repayments, including interest, of loans made from that retraining fund, and interest earned from moneys in the ~~community college~~ job training fund.

Sec. 9. NEW SECTION. 422.16A JOB TRAINING WITHHOLDING - CERTIFICATION AND TRANSFER.

Upon payment in full of a certificate of participation or other obligation issued to fund a job training program under chapter 260E, the community college providing the job training program shall notify the department of economic development of the amount paid by the employer or business to the community college to retire the certificate during the previous twelve months. The department of economic development shall notify the department of revenue and finance of that amount. The department shall credit to the workforce development fund established in section 15.343 twenty-five percent of that amount each quarter for a period of ten years. If the amount of withholding from the business or employer is insufficient, the department shall prorate the quarterly amount credited to the workforce development fund. The maximum amount from all employers which shall be transferred to the workforce development fund in any year is two million dollars.

Sec. 10. There is allocated from the workforce development fund for the fiscal year beginning July 1, 1995, and ending June 30, 1996, to the job training fund established under section 260F.6, \$657,422, or so much thereof as is necessary, to be used for the purposes of the fund and to the loan loss reserve account established in section 15.345, \$219,000, or so much thereof as may be necessary, to be used for the purposes of the account.

Sec. 11. The legislative council is requested to establish a 17 member task force to study the job training needs of the state with emphasis on the needs of targeted technology industries. The review should include, but is not limited to, studying the funding of retraining programs through consortia and supplier networks and entering into multiple retraining agreements to the same business. Membership of the task force consists of three senators

to be appointed by the majority and minority leaders of the senate, three representatives to be appointed by the speaker and minority leader of the house of representatives, and 11 members appointed by the governor from each of the following targeted technology industries: advanced manufacturing; advanced materials; biomedicine and health sciences; biotechnology; computer and information sciences; electronics and related fields; engineering theory and application; energy and natural resources; environmental sciences; telecommunications; transportation and aerospace; and those established industries that may be using less than state-of-the-art technology. The task force shall make a report of its findings and any recommendations to the governor and general assembly by January 1, 1996.

Sec. 12. **REPEALS.** Sections 15.341 through 15.348 and 422.16A are repealed June 30, 1997. Section 260F.6, subsection 1, is amended by striking the subsection on June 30, 1997, and the Iowa Code editor shall return the language of section 260F.6, subsection 1, to the language of the 1995 Code of Iowa.

Approved May 19, 1995

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**CHAPTER 185**  
**INSURANCE REGULATION**  
*H.F. 247*

**AN ACT** relating to the regulation of insurance, including the authority of the insurance division to regulate certain policies and contracts and parties to such policies and contracts, providing for coordination of health care benefits with state medical assistance and for continuation of health care benefits pursuant to court-ordered medical child support and for coverage for an adopted child.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 87.4, Code 1995, is amended by adding the following new unnumbered paragraph:

**NEW UNNUMBERED PARAGRAPH.** The workers' compensation premium written on a municipality which is a member of an insurance pool which provides workers' compensation insurance coverage to a statewide group of municipalities, as defined in section 670.1, shall not be considered in the determination of any assessments levied pursuant to an agreement established under section 515A.15.

Sec. 2. Section 144C.4, Code 1995, is amended by adding the following new subsection:

**NEW SUBSECTION.** 1A. The commissioner or the commissioner's designee shall serve as an ex officio, nonvoting member of the board.

Sec. 3. **NEW SECTION.** 505.22 **CERTAIN RELIGIOUS ORGANIZATION ACTIVITIES EXEMPT FROM REGULATION.**

A religious organization which, through its publication to subscribers, solicits funds for the payment of medical expenses of other subscribers, shall not be considered to be engaging in the business of insurance for purposes of this chapter or any other provision of Title XIII, and shall not be subject to the jurisdiction of the commissioner of insurance, if all of the following apply: