

CHAPTER 1155

WORKFORCE DEVELOPMENT — APPRENTICESHIP AND INTERN PROGRAMS, CAREER TRAINING PHYSICAL EXPANSION PROGRAM, HIGH-DEMAND JOB PROGRAMS, UNEMPLOYMENT INSURANCE, AND REEMPLOYMENT CASE MANAGEMENT PROGRAM — CAREER AND TECHNICAL SECONDARY AUTHORIZATIONS

S.F. 2168

AN ACT relating to workforce matters including apprenticeships and other career training, unemployment insurance, and membership of the state workforce development board, making appropriations, and including effective date provisions.

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

DIVISION I IOWA REGISTERED APPRENTICESHIP ACT

Section 1. Section 84D.2, subsection 5, Code 2026, is amended to read as follows:

5. “*Apprenticeship sponsor*” means an entity operating an apprenticeship program or an entity in whose name an apprenticeship program is being operated, which entity is registered with or approved by the United States department of labor, office of apprenticeship, or the Iowa office of apprenticeship. “*Apprenticeship sponsor*” includes a lead apprenticeship sponsor, sponsor, or intermediary sponsor, and an employer who provides training through a lead apprenticeship sponsor, sponsor, or intermediary sponsor.

Sec. 2. Section 84D.2, Code 2026, is amended by adding the following new subsections:

NEW SUBSECTION. 11A. “*Employer partner*” means an employer who trains the employer’s employees through an intermediary sponsor.

NEW SUBSECTION. 12A. “*Intermediary sponsor*” means an entity that provides related training instruction to apprentices for multiple employers, serves as the sponsor of the apprentices, and registers the program with the Iowa office of apprenticeship, and may also provide technical assistance to employers and assist with developing occupational standards.

Sec. 3. Section 84D.2, subsection 12, Code 2026, is amended by striking the subsection.

Sec. 4. Section 84D.2, subsection 19, paragraph a, subparagraph (2), subparagraph division (c), Code 2026, is amended to read as follows:

(c) Related training instruction from a lead apprenticeship sponsor, sponsor, or intermediary sponsor.

Sec. 5. Section 84D.4, subsection 2, Code 2026, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. An intermediary sponsor has the sole discretion for approving employer partners, provided that such employer partners are compliant with the employer partners’ responsibilities outlined in the intermediary sponsor’s standards.

Sec. 6. Section 84D.4, subsection 8, Code 2026, is amended to read as follows:

8. *a.* The office shall develop a plan providing a procedure for the cancellation or deregistration, or both, of programs and for temporary suspension, cancellation, deregistration, or any of these, of apprenticeship agreements.

b. Prior to any order to cancel or suspend an employer partner, the office must provide a comprehensive list of the grounds for cancellation or suspension and allow at least sixty days for the employer partner to become compliant. If the office orders cancellation or suspension of an employer partner after the sixty-day period, the order shall be considered final agency action, and the intermediary sponsor may seek judicial review as provided in section 17A.19.

c. (1) Prior to any permanent or temporary cancellation, suspension, or deregistration,

the office must provide a comprehensive list of the grounds of the alleged violation of the apprenticeship program standards in writing to the approved apprenticeship sponsor, intermediary sponsor, or lead apprenticeship sponsor and allow at least ninety days to become compliant.

(2) A decision by the office to cancel, suspend, or deregister an approved apprenticeship sponsor, intermediary sponsor, or lead apprenticeship sponsor must be issued in writing and must state the reasons for the office's decision. The office shall not issue such a decision before the conclusion of the ninety-day period or later than thirty days after the conclusion of the period. The decision shall be considered final agency action subject to judicial review as provided in section 17A.19. However, notwithstanding section 17A.19, the office shall have the burden to prove that the approved apprenticeship sponsor, intermediary sponsor, or lead apprenticeship sponsor violated the standards of the apprenticeship program and that the approved apprenticeship sponsor, intermediary sponsor, or lead apprenticeship sponsor did not take the necessary corrective actions to address a violation that was the basis for the cancellation, suspension, or deregistration within the ninety-day period.

d. If an apprenticeship sponsor, intermediary sponsor, or lead apprenticeship sponsor is canceled, suspended, or deregistered, the apprenticeship sponsor, intermediary sponsor, or lead apprenticeship sponsor shall have the right to reapply for a registration after sixty days.

Sec. 7. Section 84D.7, Code 2026, is amended to read as follows:

84D.7 Requirements for sponsors and employers.

A sponsor of a quality pre-apprenticeship program, youth apprenticeship program, registered apprenticeship program, or apprenticeship program is responsible for the administration and supervision of on-the-job training and related technical instruction for each apprentice in the quality pre-apprenticeship program, youth apprenticeship program, registered apprenticeship program, or apprenticeship program. When training is provided by a lead apprenticeship sponsor or intermediary sponsor, the employer of the apprentice is responsible for the administration and supervision of on-the-job training, and the lead apprenticeship sponsor or intermediary sponsor is responsible for related technical instruction for each apprenticeship.

DIVISION II

IOWA PLUMBER, MECHANICAL PROFESSIONAL, AND CONTRACTOR LICENSING
ACT — APPRENTICESHIPS

Sec. 8. Section 105.18, Code 2026, is amended by adding the following new subsection:
NEW SUBSECTION. 5. Regulation of apprenticeships.

a. A licensed journeyman or master may employ or supervise licensed apprentices at a ratio not to exceed three apprentices to one licensee.

b. The requirements of this section do not apply to apprenticeship classroom training.

DIVISION III

IOWA APPRENTICESHIP ACT

Sec. 9. Section 84E.2, Code 2026, is amended by adding the following new subsection:
NEW SUBSECTION. 8A. "Intermediary sponsor" means the same as defined in section 84D.2.

Sec. 10. Section 84E.4, subsections 1, 2, 3, and 4, Code 2026, are amended to read as follows:

1. a. An apprenticeship sponsor, intermediary sponsor, or lead apprenticeship sponsor that conducts an apprenticeship program that is registered with the United States department of labor, office of apprenticeship, through Iowa, for apprentices who will be employed at worksites located in this state may apply to the department for financial assistance under this section if the apprenticeship program includes a minimum of one hundred contact hours per apprentice for each training year of the apprenticeship

program.

b. Financial assistance received by an apprenticeship sponsor, intermediary sponsor, or lead apprenticeship sponsor under this section shall be used only for the cost of conducting and maintaining an apprenticeship program.

c. An apprenticeship sponsor whose apprentices receive contact hours from a lead apprenticeship sponsor is not eligible for financial assistance under this chapter.

2. The department shall provide financial assistance in the form of training grants to eligible apprenticeship sponsors, intermediary sponsors, or lead apprenticeship sponsors in the following manner:

a. By determining the total amount of funding allocated for purposes of training grants for apprenticeship programs pursuant to section 84E.3.

b. By determining the total number of apprentices trained during the most recent training year, as calculated on the last day of the training year, in all apprenticeship programs conducted by all applying apprenticeship sponsors, intermediary sponsors, or lead apprenticeship sponsors eligible to apply for financial assistance under subsection 1.

c. By determining the total number of apprentices trained during the most recent training year, as calculated on the last day of the training year, in each apprenticeship program conducted by each apprenticeship sponsor, intermediary sponsor, or lead apprenticeship sponsor eligible to apply under subsection 1, and that applied for financial assistance under subsection 1.

d. By determining the proportion, stated as a percentage, that each applying apprenticeship sponsor's, intermediary sponsor's, or lead apprenticeship sponsor's total calculated pursuant to paragraph "c" bears to all applying apprenticeship sponsors', intermediary sponsors', or lead apprenticeship sponsors' total calculated pursuant to paragraph "b".

e. By multiplying the percentage calculated in paragraph "d" by the amount determined in paragraph "a".

3. An apprenticeship sponsor, intermediary sponsor, or lead apprenticeship sponsor seeking financial assistance under this section shall provide the following information to the department:

a. The federal apprentice registration number of each apprentice in the apprenticeship program.

b. The address and a description of the physical location where in-person training is conducted.

c. A certification of the apprenticeship sponsor's or intermediary sponsor's training standards as most recently approved by the United States department of labor, office of apprenticeship or, in the case of a lead apprenticeship sponsor, a representative sample of participating members' training standards.

d. A certification of the apprenticeship sponsor's or intermediary sponsor's compliance review or quality assessment as most recently conducted by the United States department of labor, office of apprenticeship, unless the apprenticeship sponsor has not been subjected to a compliance review or quality assessment. In the case of a lead apprenticeship sponsor, a sampling of compliance reviews or quality assessments from participating members shall be sufficient.

e. Any other information the department reasonably determines is necessary.

4. The apprenticeship sponsor, intermediary sponsor, or lead apprenticeship sponsor and the department shall enter into an agreement regarding the provision of any financial assistance to the apprenticeship sponsor, intermediary sponsor, or lead apprenticeship sponsor.

Sec. 11. Section 84G.3, subsection 2, Code 2026, is amended to read as follows:

2. For the fiscal year beginning July 1, ~~2023~~ 2026, and for each fiscal year thereafter, there is annually appropriated from the workforce development fund account to the apprenticeship training program fund created in section 84E.3 ~~three~~ four million five hundred thousand dollars for the purposes of chapter 84E.

Sec. 12. Section 422.16A, Code 2026, is amended to read as follows:

422.16A Job training withholding — certification and transfer.

Upon the completion by a business of its repayment obligation for a training project funded under chapter 260E, including a job training project funded under section 260J.2 or repaid in whole or in part by the supplemental new jobs credit from withholding under section 260J.1 or section 15E.197, Code 2014, the sponsoring community college shall report to the department of workforce development the amount of withholding paid by the business to the community college during the final twelve months of withholding payments. The department of workforce development shall notify the department of revenue of that amount. The department of revenue shall credit to the workforce development fund account established in section 84G.3 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 of revenue shall prorate the quarterly amount credited to the workforce development fund account. The maximum amount from all employers which shall be transferred to the workforce development fund account in any year is seven nine million seven two hundred fifty thousand dollars.

DIVISION IV
CAREER TRAINING PHYSICAL EXPANSION PROGRAM

Sec. 13. Section 84A.5, subsection 5, Code 2026, is amended by adding the following new paragraph:

NEW PARAGRAPH. *m.* The career training physical expansion program under chapter 84J. This paragraph is repealed July 1, 2030.

Sec. 14. NEW SECTION. **84J.1 Definition.**

As used in this chapter, “*department*” means the department of workforce development.

Sec. 15. NEW SECTION. **84J.2 Career training physical expansion program.**

1. A career training physical expansion program is created that shall be administered by the department. The purpose of the program is to provide financial assistance for construction of new facilities and procurement of equipment that will expand the capacity of community colleges and unionized and nonunionized private sector apprenticeship programs to provide education and training for workers in high-demand fields in this state.

2. The department shall establish eligibility requirements, award criteria, and application and other necessary procedures for the program. To be eligible for financial assistance, a community college or apprenticeship program must demonstrate to the department that construction of the new facility or procurement of equipment will directly result in an increase in the number of workers in high-demand fields in this state by expanding the physical capacity of the community college or apprenticeship program to train more students or apprentices in such fields. The community college or apprenticeship program must also demonstrate that there is employer demand in this state for the training to be provided. Projects to increase internet-based education or training shall be ineligible for financial assistance.

3. The department shall give priority for financial assistance to community colleges or apprenticeship programs that demonstrate the training for which the physical capacity will be expanded is nonduplicative of training offered by other community colleges or apprenticeship programs in this state.

Sec. 16. NEW SECTION. **84J.3 Career training physical expansion program fund — appropriation.**

1. A career training physical expansion program fund is created as a fund in the state treasury under the control of the department.

2. The fund shall consist of moneys appropriated for purposes of the career training physical expansion program, and any other moneys lawfully available to the department for purposes of this chapter.

3. Moneys in the fund are appropriated to the department for the purposes of this chapter.

4. Notwithstanding section 8.33, moneys in the fund at the close of the fiscal year

shall not revert but shall remain available for expenditure for the purposes designated for subsequent fiscal years. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

Sec. 17. **NEW SECTION. 84J.4 Rules.**

The department of workforce development shall adopt rules pursuant to chapter 17A to administer this chapter.

Sec. 18. **NEW SECTION. 84J.5 Repeal.**

This chapter is repealed July 1, 2030.

DIVISION V
APPRENTICESHIP TRAINING IN SCHOOL DISTRICTS

Sec. 19. **NEW SECTION. 279.89 Increasing access to apprenticeship training.**

1. As used in this section, unless the context otherwise requires:
 - a. “Apprenticeship sponsor”, “registered apprenticeship program”, “work-based learning”, and “youth apprenticeship” mean the same as defined in section 84D.2.
 - b. “HVAC” means the same as defined in section 105.2.
2. The board of directors of each school district is encouraged to establish or expand quality pre-apprenticeship opportunities and youth apprenticeship programs at secondary schools in partnership with apprenticeship sponsors and the Iowa office of apprenticeship. Activities boards may pursue in furtherance of this goal include but are not limited to all of the following:
 - a. Aligning existing industrial technology, construction, electronics, metalwork, and related coursework with requirements of registered apprenticeship programs.
 - b. Establishing new coursework in subjects such as plumbing, HVAC, and math for skilled trades as well as an introductory course on apprenticeships to prepare students for a wide variety of opportunities in registered apprenticeship programs.
 - c. Construction, improvement, or expansion of skilled trade extension centers to provide additional work-based learning opportunities.
 - d. Partnering with apprenticeship sponsors to ensure curricula for coursework described in paragraphs “a”, “b”, and “c” are industry-aligned so that such coursework can be credited toward completion of an apprenticeship.
3. The board of directors of each school district is encouraged to establish a work-based learning program at each secondary school. The work-based learning program shall facilitate implementation of this section and other pre-apprenticeship, apprenticeship, and work-based learning initiatives at the school. The work-based learning program shall be a program that is recognized as a work-based learning program by the department of education and shall be operated by trained and credentialed staff who have prior experience relevant to implementation of quality pre-apprenticeships, youth apprenticeships, or other work-based learning initiatives.
4. The board of directors of each school district is encouraged to pursue funding sources and in-kind contributions through private sector partnerships and from apprenticeship sponsors and nonprofit sources to implement this section.

DIVISION VI
HIGH-DEMAND JOBS AND SCHOLARSHIP ELIGIBILITY

Sec. 20. Section 84A.1B, subsection 3, Code 2026, is amended to read as follows:

3. Create, and update as ~~necessary~~ every three years, 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~~ collaborate with community colleges 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 update the list of high-demand jobs as ~~it deems necessary~~ sooner than the three-year period provided in this subsection if the update is requested in writing by a representative designated by the community colleges and the workforce development board agrees with the requested update. 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:

- a. ~~An A competitive~~ entry-level hourly wage of ~~not less than fourteen dollars~~.
- b. Educational attainment of a qualifying credential up to a bachelor’s degree.
- c. One or both of the following criteria:
 - (1) Projected annual job openings of at least two hundred fifty or more during the next five years.
 - (2) Annual job growth of at least one percent.

Sec. 21. Section 256.228, subsection 1, paragraph g, subparagraph (5), Code 2026, is amended to read as follows:

(5) ~~Has a student aid index of less than or equal to twenty thousand dollars at the time of initial application, as determined by the application forms submitted pursuant to subparagraph (2), including the free application for federal student aid~~ Meets financial need criteria as established by the commission.

Sec. 22. Section 256.228, subsection 4, paragraph b, Code 2026, is amended to read as follows:

b. Adopt rules under chapter 17A, in collaboration with the department of workforce development, for administration of this section, including but not limited to establishing the duties and responsibilities of eligible institutions under the program; defining residence and satisfactory academic progress for purposes of the program; defining financial need for purposes of the program; and establishing procedures for scholarship application, processing, and approval. The rules shall provide for determining the priority awarding of scholarships if funds available for purposes of this section are insufficient to pay all eligible students. Priority shall be given to fully awarding each eligible student approved for a scholarship rather than to prorating scholarship awards among all eligible students.

Sec. 23. Section 256.228, subsection 4, paragraph d, Code 2026, is amended by striking the paragraph and inserting in lieu thereof the following:

d. Transmit to the department of workforce development the compilation of information, data, and statistics compiled under subsection 1, paragraph “e”, subparagraph (6).

DIVISION VII CAREER AND TECHNICAL SECONDARY AUTHORIZATIONS

Sec. 24. Section 256.146, subsection 26, Code 2026, is amended to read as follows:

26. a. Adopt rules pursuant to chapter 17A that allow an individual seeking a career and technical secondary authorization to apply, and, if eligible, be issued the secondary authorization prior to accepting an offer of employment with a school.
- b. The board shall limit qualifications for an applicant for a career and technical

secondary authorization to three thousand hours of recent and relevant experience. The board shall limit training requirements for an initial authorization to ethics training.

DIVISION VIII
REEMPLOYMENT CASE MANAGEMENT PROGRAM

Sec. 25. 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. 26. 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 IX
SUMMER YOUTH INTERN PILOT PROGRAM — REPEAL

Sec. 27. 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. 28. REPEAL. Section 84A.12, Code 2026, is repealed.

Sec. 29. EFFECTIVE DATE. This division of this Act takes effect June 30, 2026.

DIVISION X
MEMBERSHIP OF WORKFORCE DEVELOPMENT BOARD

Sec. 30. 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. 31. 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. 32. 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 XI
UNEMPLOYMENT COMPENSATION RESERVE FUND — TRANSFER TO
UNEMPLOYMENT TRUST FUND

Sec. 33. 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.~~

Approved June 2, 2026