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BUSINESS & LABOR

SENATE FILE 2099
BY HATCH

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act to establish an individual training account fund within
2 the department of workforce development for the training of
3 unemployed persons and making an appropriation.

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

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1 Section 1. LEGISLATIVE INTENT. It is the intent of the
2 general assembly to provide for additional job training and
3 retraining for basic skill development and vocational or
4 technical training by community colleges in this state. It is
5 the intent of the general assembly to provide funding for an
6 individual training account fund by reducing the rates of
7 unemployment tax contributions payable into the unemployment
8 compensation fund for all employers required to make
9 contributions to the unemployment compensation fund and by
10 depositing the amount realized through the rate reduction in
11 the individual training account fund. It is the intent of the
12 general assembly that the department of workforce development
13 administer the individual training account program and
14 establish guidelines to provide greater financial assistance
15 to those persons who are employed by employers who contribute
16 to the unemployment compensation fund.

17 Sec. 2. NEW SECTION. 84A.11 INDIVIDUAL TRAINING ACCOUNT
18 PROGRAM -- FUND.

19 1. a. There is created in the state treasury a special
20 fund known as the Iowa individual training account fund. The
21 fund is separate and distinct from the unemployment
22 compensation fund. The fund consists of all moneys deposited
23 in the fund as provided in section 96.7, subsection 12.
24 Moneys in the fund are not subject to section 8.33.
25 Notwithstanding section 12C.7, interest on and earnings from
26 moneys in the fund shall be credited to the fund.

27 b. The director of the department of workforce development
28 shall serve as trustee of the fund and shall administer the
29 fund. Any loss to the fund shall be charged against the fund
30 and the director shall not be personally liable for such loss.
31 All moneys which are paid or deposited into this fund are
32 hereby appropriated and made available to the department of
33 workforce development to be used only for the purposes
34 provided in this section.

35 2. The department of workforce development shall implement

1 and administer an individual training account program for
2 eligible recipients. Eligible recipients are employees whose
3 employers contribute to the unemployment compensation fund
4 created in section 96.9 or persons who are unemployed and
5 eligible for unemployment compensation from the fund. The
6 program shall provide vouchers to eligible recipients to
7 obtain eligible job training and retraining for both basic
8 skill development and vocational or technical training from a
9 community college as defined in section 260C.2. Vouchers
10 shall be provided through workforce development centers as
11 established in section 84B.1. To obtain a voucher under this
12 program, an eligible recipient shall provide at least a
13 dollar-per-dollar match. The department shall establish
14 guidelines concerning the maximum dollar amount of assistance
15 available to eligible recipients which guidelines shall
16 provide greater financial assistance to persons with a greater
17 number of years of employment with employers who contribute to
18 the unemployment compensation fund. The department shall
19 adopt rules pursuant to chapter 17A to administer the program,
20 including rules relating to eligibility criteria, eligible
21 training programs, and services.

22 Sec. 3. Section 96.7, Code Supplement 2005, is amended by
23 adding the following new subsection:

24 NEW SUBSECTION. 12. INDIVIDUAL TRAINING ACCOUNT FUND
25 DEPOSITS. From contributions owed pursuant to this chapter,
26 an amount equal to five hundredths percent of the taxable
27 wages paid by an employer subject to this chapter shall not
28 become part of the unemployment compensation fund but shall be
29 deemed to be reserve contributions for the following calendar
30 year, shall be referred to as the reserve contribution
31 training tax rate, and shall be deposited in the individual
32 training account fund established in section 84A.11. The cost
33 of collection shall be paid from moneys deposited in the
34 individual training account fund. The deposit requirement
35 under this subsection shall apply to all employers except

1 governmental entities, nonprofit organizations, and employers
2 assigned a zero contribution rate. As used in this paragraph,
3 "taxable wages" means as defined in section 96.19, subsection
4 37, paragraph "b".

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EXPLANATION

6 This bill establishes an individual training account
7 program and fund within the department of workforce
8 development. The program shall provide vouchers to eligible
9 recipients to obtain job training and retraining services from
10 a community college. Eligible recipients are defined to
11 include employed and unemployed workers covered by the
12 unemployment compensation trust fund. The program provides
13 that employees seeking assistance from the program are
14 required to match assistance received on at least a dollar-
15 for-dollar basis with the dollar amount of assistance based,
16 in part, on the number of years the recipient has been
17 employed. Funding for the program is provided through an
18 appropriation from an individual training account fund which
19 consists of moneys deposited into the fund from a portion of
20 unemployment compensation taxes collected during a year which
21 represents an amount equal to .05 percent of the taxable wages
22 paid by each employer who has a contribution rate above zero
23 and who is not a governmental entity or nonprofit
24 organization.

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