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State Policy Update

Budget targets from the House were released this week, ten days after the Senate released their own budget targets. The Senate leaders plan to spend the same amount as the Governor (\$7.3 billion), but allocated it differently. House leaders plan on spending \$7.175 billion. The legislature will not adjourn by May 1, as projected in the [session timetable](#). May 1st is the final day that legislators will receive expense checks and staff allowance.

For a refresher on the appropriations process, check out [this](#) chart outlining the process.

The Senate Appropriations Committee has passed appropriations bills for both Economic Development and Education, and will likely be heard on the Senate floor next week. The LSA published analysis of the Senate's [Economic Development Appropriations](#) and [Education Appropriations](#) bills. More detail about these bills can be found in the Legislation section below. The House has not introduced their budget bills yet.

Governor Branstad signed legislation ([House File 421](#)) to expand the qualifications required to teach as a career and technical education instructor at a community college. More detail can be found in the Legislation section below.

Due to a procedural move on April 21, the [Iowa Employment Rides Initiative](#) is likely dead. The appropriations process may provide funding, however.

Federal Policy Update

The White House announced new steps as part of President Obama's [Upskill Initiative](#), a public-private effort to provide opportunities for workers to progress into higher-paying jobs through training. During the White House Upskill Summit today, employers, labor unions, and tech innovators laid out new data tools and opportunities for front-line workers. The fact sheet from the White House is available [here](#).

On Wednesday, the National Skills Coalition hosted a webinar titled "Unpacking Proposed WIOA Regulations." The webinar discussed key provisions in the [Notice of Proposed Rulemaking](#) released earlier this month, and provided analysis on how the regulations will address sector partnerships, career pathways, cross-program data and measurement, and job-driven investment. Watch the webinar [here](#).

Important Dates

May 1

Target Adjournment Date

110th calendar day of the session and the date per-diem expenses will end.

Legislation

Senate File 493 (successor to [SSB1277](#)) - **Education Appropriations bill**. Funds the College Student Aid Commission, Department for the Blind, Department of Education, and State Board of Regents. Highlights:

- » Appropriates \$40.3 million from the Skilled Worker and Job Creation Fund (SWJCF) for FY 2016. This is no change compared to estimated FY 2015.
- » SWJCF appropriation for FY 2017 is funded at 50% of FY 2016 levels.
- » Early Literacy Warning System: *New appropriation of \$2 million.*
- » **High Need Schools:** *New appropriation of \$10 million.*
- » Iowa Academic Standards: *New appropriation of \$1.5 million.*
- » **Career Planning System for Grades 9-12:** *New appropriation of \$600,000 for development of a Career Planning System to replace I Have a Plan Iowa (IHAPI).*
- » Iowa Tuition Grant (Nonprofit): Increase of \$2 million to fund additional/larger awards.
- » Iowa Tuition Grant (For-Profit): Increase of \$100,000 to fund additional awards.
- » Community Colleges General Aid: Increase of \$8.1 million.
- » **At-Risk, Alternative, and Dropout Programs and Funding:** Changes to statute regarding permissible use.
- » Supplementary Weighting for K-12 Limited English Proficient Students: Changes to statute regarding student LEP student eligibility.
- » **Gap Tuition Assistance Program:** Changes to statute regarding eligibility and priority status.
- » Iowa Tuition Grant: Increase the cap on maximum award from \$5,000 to \$5,500.
- » All Iowa Opportunity Scholarship Program: Changes code to permit qualified students the scholarship for up to two academic years of undergraduate study or equivalent.

Sponsored and passed by Senate Appropriations Committee. Senate floor consideration is expected next week.

Senate File 499 (successor to [SSB1281](#)) - **Economic Development Appropriations bill**. Funds the Department of Cultural Affairs (DCA), the Iowa Economic Development Authority (IEDA), the Iowa Workforce Development (IWD), Iowa Finance Authority (IFA), Public Employment Relations Board (PERB), Board of Regents (BOR), and Regents institutions. Highlights:

- » Unlike the Governor's [recommendations](#), this budget bill does not include the Workforce Development Fund appropriation for both the **Apprenticeship Program** and the **Job Training Program** within IEDA. The Governor proposed \$3 million to each program for FY 2016 and again for FY 2017.

- » **Iowa Employment Rides Initiative:** *New program and fund.* Establishes the Iowa Employment Rides Initiative at the Department of Transportation (DOT) and Iowa Rides Fund in the State Treasury. Enables the DOT to award grants up to \$150,000 to various public transit systems with at least a dollar-for-dollar matching requirement.
 - Requires IEDA to make a new transfer of \$100,000 to DOT deposit in the Iowa Rides Fund.
- » [High Quality Jobs Program](#): Maintains the current funding level of \$8.45 million to IEDA (with no more than \$1 million for the Main Street Iowa Program). From the Skilled Worker and Job Creation Fund.
- » **Home Base Iowa Marketing:** *A new appropriation of \$500,000 to IEDA, to increase the hiring of returning veterans.*
- » Science, Technology, Engineering, and Mathematics (STEM) Internships: \$1 million appropriation to IEDA, which maintains the current funding level.
- » **Total amount for IWD field offices: \$11,195,497 (same as Governor's proposal):**
 - \$9,179,413 from the general fund to IWD for field offices.
 - Allocates \$150,000 to the State Library for licensing the Learning Express Library.
 - IWD required to allocate at least \$1,130,602 to the operation of four satellite field offices projected by IWD to serve the most people from the offices in Decorah, Fort Madison, Iowa City, and Webster City.
 - \$1,766,084 from Special Employment Security Contingency Fund to IWD for field offices.
 - \$400,000 from Unemployment Compensation Reserve Fund to IWD for field offices.
- » \$358,464 for the **Offender Reentry Program** to provide offenders with employment skills; IWD to partner with Department of Corrections.
- » \$100,000 to IWD "to develop a long-term sustained program to train unemployed and underemployed central Iowans with skills necessary to advance to higher-paying jobs with full benefits." Requires IWD to issue a request for proposal by Sept. 1, 2015, and to testify upon request of the joint economic development appropriations subcommittee about the expenditure of these funds. Appropriated from the Skilled Worker and Job Creation Fund.

Sponsored and passed by Senate Appropriations Committee. Senate floor consideration is expected next week.

[Senate File 369](#) (successor to [Senate File 144](#)) and [House File 354](#) - Would establish a refugee family support services pilot program and make appropriations. It would increase the amount transferred to DHS from an appropriation within the Iowa Skilled Worker and Job Creation Fund to the Department of Education for an organization to provide resources and support services to international refugees for FY 2014-2015. Sponsored by Senator Petersen and Representatives Anderson, Hunter, Oldson, Ourth,

Staed, Gaskill, Smith, and McConkey. Passed Senate Human Resources Committee, referred to Senate Appropriations Committee and assigned to subcommittee with Ragan, Dvorsky, and Segebart. Referred to House Appropriations Committee and assigned to subcommittee with Heaton, Oldson, and Sexton.

[Senate File 344](#) (successor to [Senate File 108](#)) - Would create a tax credit for apprenticeship sponsors employing an apprentice working in the construction trade at Iowa worksites. The credit would be available against the individual and corporate income tax for a portion of the wages paid to apprenticeships in the construction trade trained through an apprenticeship program. Sponsored by Senator Dotzler. Passed Senate Economic Growth Committee; referred to Senate Ways & Means Committee and assigned to subcommittee with Dotzler, Anderson, and Bolkom. [Fiscal note](#) published.

[Senate File 234](#) (successor to [Senate File 110](#)) - Would establish the Iowa Employment Rides Initiative and related fund within Economic Development Authority. Sponsored by Senate Economic Growth Committee. Passed Senate with amendment [S-3009](#) and died via procedural move in the House on April 21.

[Senate File 111](#) - Increases the amount of the tuition tax credit from 25 percent of the first \$1,000 paid for tuition and textbooks to 50 percent of the first \$1,000 paid. Sponsored by Senator Zaun. Companion bill [House File 298](#) did not pass first funnel. In Senate Ways & Means subcommittee with Bolkom, Feenstra, and Quirmbach.

[House File 421](#) (successor to [House File 215](#)) - Would expand the qualifications required to teach as a community college instructor in the subject area of career and technical education. Sponsored by House Education Committee. Passed unanimously by both chambers, signed by Governor Branstad on April 17.

[House File 248](#) - Would appropriate funds for the state budget contingent upon the failure to include certain appropriations in bills passed by the general assembly by certain dates. Sponsored by Representatives Hein, Klein, Kaufmann, Grassley, Wills, Cownie, Maxwell, Paustian, Drake, Deyoe, Landon, and Hagenow. Referred to House Appropriations Committee and assigned to subcommittee with Rizer, Rogers, and T. Taylor.

[House File 191](#) - Would provide a state individual income tax credit equal to 25 percent of the federal American Opportunity Tax Credit provided in section 25a(i) of the Internal Revenue Code. Sponsored by Representative Wessel-Kroeschell. Referred to House Ways & Means Committee.

[House File 190](#) - Would allow taxpayers to deduct from the computation of net income, for purposes of the individual income tax, the qualified tuition and related expenses of postsecondary education to the extent not otherwise deductible under federal or state law, and without amount or income limitations. Sponsored by Wessel-Kroeschell. Referred to House Ways & Means Committee.

House File 63 - Would direct the College Student Aid Commission, in collaboration with the Board of Regents, to commission an independent study of student debt at Iowa's public postsecondary institutions and the impact of student debt on Iowa's citizens and economy. Sponsored by Representative Wessel-Kroeschell. Referred to House Appropriations Committee and assigned to subcommittee with Dolecheck, Stutsman, and R. Taylor.

Senate Study Bill 1262 and House File 630 (successor to House Study Bill 177) - **Governor's bill.** Would appropriate federal funds made available from federal block grants and other nonstate sources, allocating portions of federal block grants, and providing procedures if federal funds are more or less than anticipated or if federal block grants are more or less than anticipated. Passed House unanimously, referred and passed Senate Appropriations Committee.

Senate Study Bill 1178 and House Study Bill 236 - **Governor's bill.** Would create a student debt reduction organization tax credit available against the individual and corporate income tax, providing for the exclusion of student debt reduction grants from the individual income tax, and including retroactive and other applicability provisions. In Senate Ways & Means and assigned to subcommittee with Bolkom, Feenstra, and McCoy. In House Ways & Means; passed subcommittee with Forristall, Baltimore, and Steckman.

Committee Assignments

[Click here](#) to view members of workforce-related committees and their corresponding workforce development region.

This update is a bi-weekly publication intended to share information and resources regarding legislative activities, events, and bills related to workforce issues in Iowa. If you have questions or need more information, please contact Natalie Koerber at nkoerber@sppg.com or 515-237-0338.