

June 6, 2015

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## State Policy Update

The 2015 session of the 86th General Assembly ended yesterday. Legislative staff are still analyzing final legislation, so another AIWP Policy Update will be sent when summaries are available to clarify the implications of key legislation.

The Economic Development Appropriations bill and the Education Appropriations bill have passed with the changes from their respective conference committee reports. The full text of these reports can be found [here](#) (Economic Development) and [here](#) (Education). Initial analysis of these reports can be found [here](#) (Economic Development) and [here](#) (Education).

The Governor has 30 days from the end of the session to sign or veto bills he received after adjournment. Any bills he takes no action on in that time period automatically become law.

## Important Dates

## May 1st

Target adjournment date (110th calendar day of session).

## June 5th

Session adjournment

## Legislation

**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 with conference committee report updates:

- » Funds the **Workforce Development Fund** at \$6 million. \$3 million would be allocated to both the **Apprenticeship Program** and the **Job Training Program** within IEDA. This would be a \$250,000 increase in the Apprenticeship Program funding for Estimated FY 2015.
- » **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 \$16.9 million to IEDA (with no more than \$1 million for the Main Street Iowa Program). From the Skilled Worker and Job Creation Fund.

- » **Total amount for IWD Field Office Operations: \$11,195,497**
  - \$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 would be required to allocate at least \$1,130,602 to the operation of three 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.
- » IWD shall require a unique identification login for all users of workforce development centers operated through electronic means.
- » \$358,464 for the **Offender Reentry Program** to provide offenders with employment skills; IWD to partner with Department of Corrections to provide staff.
- » \$100,000 to IWD “to develop a long-term sustained program to train unemployed and underemployed central lowans 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 by Senate Appropriations Committee and passed Senate (26-24). Passed House (57-42) with amendment [S-3159](#). Senate refused to concur with amendment, House insisted. Conference committee members have been appointed: Representatives Deyoe, Baxter, Hanusa, Running-Marquardt, Finkenauer; Senators Dotzler, Bisignano, Hart, Schneider, and Smith. Conference committee report filed and adopted in House and Senate, which included that the House recedes from its amendment [S-3159](#). Passed Senate, ayes 27, nays 23. Passed House, ayes 83, nays 8.

[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 Bolkcom. [Fiscal note](#) published.

**[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 Bolkcom, Feenstra, and Quirmbach.

**[House File 658](#) - 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.
- » Vocational Technical Tuition Grant: \$2.25 million to College Aid Commission. No change compared to estimated FY 2015.
- » **Vocational Education to Secondary Schools:** \$2.63 million to Department of Education. No change compared to estimated FY 2015.
- » **Jobs for America's Grads:** Both House and Senate proposed \$700,000, matching estimated FY 2015 appropriation.
- » Early Literacy Warning System: *New appropriation* for FY2016 \$2 million.
- » **High Need Schools:** *New appropriation* of \$10 to Department of Education for High Needs Schools in FY17.
- » Iowa Tuition Grant (Nonprofit): Matches current funding level at \$48.41 million.
- » Iowa Tuition Grant (For-Profit): Matches current funding level at \$1.97 million.
- » Community Colleges General Aid: Matches current funding level at \$201.27 million.
- » **Gap Tuition Assistance Program:** Changes statute regarding eligibility and priority status, including under WIOA (language from [SF258](#)).
- » Iowa Tuition Grant: Increases the cap on the maximum award from \$5,000 to \$6,000.
- » All Iowa Opportunity Scholarship Program: Changes code to permit qualified students the scholarship for up to two academic years of undergraduate study or its equivalent.

Sponsored by House Appropriations Committee. Passed House (55-42) with amendments [H-1276](#), [H-1277](#), [H-1293](#), [H-1296](#), [H-1297](#), and [H-1298](#). Passed Senate (26-23) with amendment [H-1339](#). House refused to concur with Senate amendment [H-1339](#). Conference committee members have been appointed: Senators Schoenjahn, Horn, Kraayenbrink, Quirmbach, and Sinclair; Representatives Dolecheck, Nunn, Forristall, Winckler, and Bearinger. Conference committee report filed and adopted in House and Senate, which included that the Senate recedes from its amendment [H-1339](#). Passed House, ayes 53, nays 39. Passed Senate, ayes 28, nays 22.

**House File 630** (successor to **House Study Bill 177**) and **Senate Study Bill 1262** - 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 unanimously by both chambers, signed by Governor Branstad on May 15, 2015.

**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, 2015.

**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 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 Committee and assigned to subcommittee with Bolkcom, Feenstra, and McCoy. In House Ways & Means Committee; passed subcommittee with Forristall, Baltimore, and Steckman.



ASSOCIATION OF IOWA WORKFORCE PARTNERS

# POLICY UPDATE

**House Study Bill 237** - Study bill for providing for eligibility and identity verification procedures for certain state programs and services and including implementation provisions. Includes eligibility verification for unemployment insurance. Proposed by House Appropriations Committee. In House Appropriations subcommittee with Rogers, Heddens, and Rizer.

## 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](mailto:nkoerber@sppg.com) or 515-237-0338.