

HOUSE REPUBLICAN STAFF ANALYSIS

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| Bill: | SF 2168 | House Committee: Passed on 2/3 (10-6) |
| Committee: | Higher Education | House Appropriations: Passed on 4/8 (24-0) |
| Floor Manager | Representative Collins | House Floor: |
| Date: | April 15, 2026 | Senate Floor: Passed on 3/5 (28-14) |
| Staff: | Kristin Rozeboom (1-3015) | Governor: |

IWD/Workforce Bill

- Codifies the Reemployment Case Management Program
- Transitions Unemployment Insurance to a Paperless Process
- Eliminates the Summer Youth Internship program
- Fiscal Note: Division I is estimated to increase expenses by IWD by \$1M in FY27 and \$2M each subsequent year. Division II is estimated to decrease costs for IWD by \$960,000 per year. Division III eliminates a general fund appropriation of \$250,000. Division IV estimated to have minimal fiscal impact. Division V transfers \$149.9M to the Unemployment Compensation Trust Fund and \$16.5M to the Special Employment Security Contingency Fund from the Unemployment Compensation Reserve Fund.
- Workforce Bill
 - Cleans up Office of Apprenticeship language that was put in place a few years ago.
 - Increases 84E Apprenticeship Act funding from \$3M to \$4.5M.
 - Creates the Career Training Physical Expansion Program and appropriates \$9.5M to the fund (Funded from the Ed Budget)
 - Removes restrictions on tradespeople being able to teach.
 - Gives community colleges more control in the Last Dollar Scholar program.
 - Encourages pre-apprenticeship programs in schools.
 - Codifies the 3:1 ratio for plumbing and HVAC.

Section by Section Analysis

Division I Reemployment Case Management program.

Section 1. Section 96.4(3)(a)

Amended to say that an individual is considered to earnestly and actively seeking work if the individual is participating in and compliant with the department’s reemployment case management program.

Section 2. Section 96.11 New Subsection

IWD shall operate a reemployment case management program. The services shall begin as soon as the week after and not later than 2 weeks after the filing of an initial claim for benefits. The Dept. shall adopt rules.

Division II Unemployment Benefits—Means of Communication

Section 3. Section 96.6(2)

Strikes sentence that states “all interested parties shall select a format as specified by the department to receive such notifications.”

Section 4. Section 96.6(3)(a)

Amended to reflect that the notifications are online on the portal and not mailed.

Section 5. Section 96.7(2)(a)

Amended to reflect that the notifications are online on the portal and not mailed.

Section 6. Section 96.7(2)(e)(1)

Amended to reflect that the notifications are online on the portal and not mailed, but notification will be sent by email.

Section 7. Section 96.7(4)

Makes conforming changes to reflect that information will be on the online portal and not mailed.

Section 8. Section 96.7(8)(b)(2)

Makes conforming changes to reflect that the information will be on the online portal.

Section 9. Section 96.7(8)(b)(4)

Makes conforming changes to reflect that the information will be on the online portal.

Section 10. Section 96.11 New Subsection

Notwithstanding the provisions requiring employers and individuals to provide information to IWD by electronic means, and IWD to provide notifications by electronic means, the Director shall establish by rules an alternative method for an individual who is unable to use the online portal.

Division III--Summer Youth Intern Pilot Program (Repeal)

Section 11. Section 84A(3)

Strikes reference to the Summer Youth Intern Pilot Program.

Section 12. 84A.12.

Repeal.

Section 13. Effective Date

Takes effect June 30, 2026.

Division IV—Membership of Workforce Development Board

Section 14. Section 84A.1A(1)(a) New Subparagraph

Adds the state director of adult education to the Workforce Development Board.

Section 15. Section 84A.1A(1)(a)(7)(a)

Amends board members from 10 to 12 who shall be representatives of businesses in the state to whom each of the following applies, and at least one shall represent small businesses.

Section 16. Section 84A.1A(1)(a)(7)(b)

Amended to change four board members to five board members that are representatives of the workforce in the state.

Division V—Unemployment Compensation Reserve Fund—Transfer to Unemployment Trust Fund

Section 17. Amends section title to Unemployment Compensation Reserve Fund—Transfer to Unemployment Trust Fund

Any moneys in the compensation reserve fund that remain are transferred to the account of this state in the unemployment trust fund, provided that any interest earned shall be transferred to the special employment security contingency fund.

Amendment Analysis

Amendment H-8344 by Appropriations—Adds House Workforce bill

Division I. Iowa Registered Apprenticeship Act

Section 1. Section 84D.2(5)

Amends the “Apprenticeship sponsor” definition to include “intermediary sponsor.”

Section 84D.2 New Subsections

“Employer partner” means an employer who trains the employer’s employees through an intermediary sponsor.

“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.

Section 84D.2(12)

Strikes subsection with definition of “intermediary” to conform to new intermediary sponsor language.

Section 84D.2(19)(a)(2)(c)

Adds intermediary sponsor as who training instruction can be from.

Section 84D.4(2) New Paragraph

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

Section 84D.4(8)

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 60 days for the employer partner to become compliant. If the office orders cancellation or suspension after the 60 day period, the order shall be considered final agency action and the intermediary sponsor may seek judicial review.

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 90 days to become compliant.

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 90 day period is up or later than 30 days after the conclusion of the 90 day period. The decision shall be considered final agency action subject to judicial review. However, the office shall have the burden to prove the approved apprenticeship sponsor, intermediary sponsor, or lead apprenticeship sponsor materially breached and that the breach continued past the 90 day period.

If an apprenticeship sponsor, intermediary sponsor, or lead apprenticeship sponsor is canceled, suspended, or deregistered, they shall have the right to reapply for a registration after 60 days.

Section 84D.7 Requirements for sponsors and employers

Adds intermediary sponsors to make conforming changes.

Division Iowa Plumber, Mechanical Professional, and Contractor Licensing Act—Apprenticeships

Section 105.18 New Subsection

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

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

Division Iowa Apprenticeship Act

Section 84E.2 New Subsection

“Intermediary sponsor” means same as above.

Section 84E.4

Makes conforming changes with intermediary sponsor language and states an apprenticeship sponsor whose apprentices receive contact hours from a lead apprenticeship sponsor is not eligible for financial assistance under this chapter.

Section 84G.3(2)

Starting FY 26, the apprenticeship training program fund goes from \$3,000,000 to \$4,500,000 for purposes of 84E.

Section 422.16A Job Training withholding—certification and transfer

Amends the max amount from all employers which shall be transferred to the workforce development fund account from \$7,750,000 to \$9,250,000.

Division Career Training Physical Expansion Program—Funding of Certain Degree Programs at Regents Institutions

Section 84A.5(5) New Paragraph

Adds the Career Training Physical Expansion Program under the control of IWD.

Section 84J.1 New Section

“Department” means department of workforce development.

Section 84J.2 Career training physical expansion program—New Section

A career training physical expansion program is created that shall be administered by the department. The purpose is to provide financial assistance for the 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.

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.

The Dept. 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.

Section 84J.3 Career training physical expansion program fund—Appropriation--New Section

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

The fund shall consist of moneys appropriated for purposes of the program and any other moneys lawfully available to the department for purposes of this chapter.

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

For the fiscal year beginning July 1, 2026 and each FY year thereafter, there is appropriated from the general fund to IWD, \$9,500,000 for deposit in the career training and physical expansion program fund.

Moneys in the fund at the close of the fiscal year shall not revert. Interest or earnings on moneys in the fund shall be credited to the fund.

Section 84J.4 Rules—New Section

IWD shall adopt rules.

Division Apprenticeship Training in School Districts

Section 19. Section 279.89 Increasing Access to apprenticeship training

The school boards of each school district are 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:

- Aligning existing industrial technology, construction, electronics, metalwork, and related coursework with requirements of registered apprenticeship programs.
- 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.
- Construction, improvement, or expansion of skilled trade extension centers to provide additional work-based learning opportunities.
- Partnering with apprenticeship sponsors to ensure curricula is industry aligned so that coursework can be credited toward completion of an apprenticeship.

The school boards are encouraged to establish a work-based learning coordinator at each secondary school. They shall facilitate implementation of this section and other pre-apprenticeship, apprenticeship, and work-based learning initiatives at the school. A coordinator shall have prior experience relevant to these initiatives.

The school boards are encouraged to pursue funding sources and in-kind contributions through private sector partnerships and from apprenticeship sponsors and nonprofit sources to implement.

Division High-Demand Jobs and Scholarship Eligibility

Section 84A.1B(3)

Amended to say the high-demand list for Future Ready Iowa will be updated every 5 years. IWD shall collaborate with community colleges to select and prioritize high-demand jobs.

Strikes requirement that to qualify as a high-demand job the entry level wage must be \$14/hr and instead says it must be "competitive."

Section 256.228(1)(d) & (f)

Amends "eligible program" definition by striking that it's jointly approved by the commission and IWD. States the high need job is designated by the community college and verified by IWD.

Section 256.228(1)(g)

Strikes SAI of less than or equal to \$20,000 and instead says "meets financial need criteria as established by the commission."

Section 256.228(1) New Paragraph

"High-need job" means an occupation in Iowa to which at least two of the following apply:

- An occupation in which state, local, or regional labor market forecasting shows occupational demand exceeds the overall state, local, or regional employer demand metrics, including job openings, numeric change in the number of persons in the occupation, and job growth.
- An occupation with education or training requirements, including completion of an apprenticeship program, an industry recognized credential, a short-term college credential, a noncredit college credential, on-the-job training for an AA or higher, or an on-the-job credential or certification.
- An occupation for which at least 3 of 5 hourly wage or annual salary measurements for the occupation exceed the hourly wage or annual salary for all occupations in the state or community college region.

Section 256.228(4)(b)

Amended to say the community colleges will have rules defining financial need for purposes of the program.

Section 256.228(4)(d)

Strikes the paragraph on the commission making a report in collaboration with IWD and the Dept. of Ed. and inserts that the commission will transmit to IWD the compilation of information, data, and statistics compiled.

Section 256.228 New Subsection

"List of high-need jobs"—beginning July 1, 2026, and every 5 years thereafter, a community college shall create a list of high-need jobs in their region, subject to approval by the CC board for purposes of the last-dollar scholarship program. The CC shall create the list in consultation with regional CTE planning partnerships. The board shall submit the list to the IWD board, which shall verify that the jobs in the list meet the definition of high-need jobs.

Division IX Career and Technical Secondary Authorizations

Section 24. Section 256.146(26)

The BOEE shall limit qualifications for an applicant for a career and technical secondary authorization to 3,000 hours of recent and relevant experience. The board shall limit training requirements for an initial authorization to ethics training.

Second Degree Amendment H-8363 by Collins—

- Makes a clarifying change on the office of apprenticeship language to ensure we are in compliance with the Federal Dept. of Labor.
- Strikes section in original bill that moves to paperless communication for unemployment.