

CHAPTER 20
ACCELERATED CAREER EDUCATION (ACE) PROGRAM

PART I - GENERAL PROVISIONS

261—20.1(260G) Purpose. The ACE program has three parts: the capital costs component, the program job credits component, and the accelerated career education grants program. The Iowa department of economic development administers the first two components. The college student aid commission administers the career education grants portion of the ACE program as described in the commission's administrative rules. The goal of the ACE program is to provide an enhanced skilled workforce in Iowa.

261—20.2(260G) Definitions.

"Accelerated career education program" or *"ACE"* means the program established pursuant to Iowa Code Supplement chapter 260G as amended by 2000 Iowa Acts, Senate File 2439.

"Agreement" means a program agreement referred to in Iowa Code Supplement section 260G.3 between an employer and a community college.

"Community college" means a community college established under Iowa Code chapter 260C or a consortium of two or more community colleges.

"Employee" means a person employed in a program job.

"Employer" means a business or consortium of businesses engaged in interstate or intrastate commerce for the purposes of manufacturing, processing or assembling products; construction; conducting research and development; or providing services in interstate or intrastate commerce, but excluding retail services.

"Highly skilled job" means a job with a broadly based, high-performance skill profile including advanced computation and communication skills, technology skills and workplace behavior skills, and for which an applied technical education is required.

"IDED" or *"department"* means the Iowa department of economic development.

"IDED board" means the Iowa economic development board authorized under Iowa Code section 15.103.

"Participant" means an individual who is enrolled in an accelerated career education program at a community college.

"Participant position" means the individual student enrollment position available in an accelerated career education program.

"Program capital cost" means classroom and laboratory renovation, new classroom and laboratory construction, site acquisition or preparation.

"Program job" means a highly skilled job available from an employer pursuant to a program agreement.

"Program job credit" means a credit that an employer may claim against all withholding taxes due in an amount up to 10 percent of the gross program job wage of a program job position as authorized in an agreement between a community college and an employer.

"Program job position" means a job position which is planned or available for an employee by the employer pursuant to a program agreement.

"Program operating costs" means all necessary and incidental costs of providing program services.

"Program services" means services that include all of the following provided they are pursuant to a program agreement: program needs assessment and development, job task analysis, curriculum development and revision, instruction, instructional materials and supplies, computer software and upgrades, instructional support, administrative and student services, related school to career training programs, skill or career interest assessment services and testing and contracted services.

“*Vertical infrastructure*” means land acquisition and construction, major renovation and major repair of buildings, all appurtenant structures, utilities, site development and recreation trails. Vertical infrastructure does not include equipment; routine, recurring maintenance or operational expenses; or leasing of a building, appurtenant structure, or utility without a lease-purchase agreement.

261—20.3(260G) ACE program eligibility and designation.

20.3(1) In order to receive financial assistance under the capital projects program, tax credits from withholding under the program job credits component or financial assistance through the college student aid commission’s accelerated career education grants program, a program must be designated by a community college as an eligible ACE program. All programs must demonstrate increased capacity to enroll additional students. To be eligible, a program must be either:

a. A credit career, vocational, or technical education program resulting in the conferring of a certificate, diploma, associate of science degree, or associate of applied science degree; or

b. A credit-equivalent career, vocational, or technical education program consisting of not less than 540 contact hours of classroom and laboratory instruction and resulting in the conferring of a certificate or other recognized, competency-based credential.

20.3(2) By resolution of a community college board of directors, an eligible program may be approved and designated as an ACE program.

20.3(3) A copy of the designated ACE program shall be submitted to the department. The department will review the ACE program designation to ensure compliance with Iowa Code Supplement chapter 260G as amended by 2000 Iowa Acts, Senate File 2439. The department will maintain a record of all approved ACE programs.

261—20.4(260G) Funding allocation.

20.4(1) Base allocation.

a. Funds for ACE program job credits and capital costs projects shall be allocated equally among the community colleges in the state for the fiscal years and in the amounts specified in 2000 Iowa Acts, Senate Files 2439 and 2453.

b. Community colleges shall submit an application, with an accompanying program agreement, to access the allocated funds. The application and program agreement shall document that all ACE eligibility requirements have been met.

20.4(2) Competitive awards. If a community college fails to obligate or encumber any of its base allocation by April 1 of the fiscal year, the funds for that community college will revert back to the state to be awarded to other community colleges on a competitive basis as described in these rules.

261—20.5(260G) Eligible and ineligible business.

20.5(1) Eligible business. An eligible business is a business engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products; construction; conducting research and development; or providing services in interstate or intrastate commerce.

20.5(2) Ineligible business. A business engaged in retail services is ineligible to receive ACE program assistance.

261—20.6(260G) Program agreements.

20.6(1) Program agreements will be developed by an employer, a community college and any employee of an employer representing a program job. The development of the agreements may be facilitated by an entity representing a group of employers. Any community college that has an employer from its merged area involved in an ACE project must enter into the agreement. If a bargaining unit is in place with the employer pledging the jobs, a representative of the bargaining unit shall take part in the development of the program agreement. All participating parties must sign the program agreement. The agreement must include employer certification of contributions that are made toward the program costs.

20.6(2) A program agreement shall include, at a minimum, the following terms: match provided by the employer; tuition, student fees, or special charges fixed by the community college board of directors; guarantee of employer payments; type and amount of funding sources that will be used to pay for program costs; description of program services and implementation schedule; the term of the agreement, not to exceed five years; the employer's agreement to interview graduates for full-time positions and provide hiring preference; for employers with more than four sponsored participants, certification that a job offer will be made to at least 25 percent of those participants that complete the program; an agreement by the employer to provide a wage level of no less than 200 percent of the federal poverty guideline for a family of two; a provision that the employer does not have to fulfill the job offer requirement if the employer experiences an economic downturn; a provision that the participants will agree to interview with the employer following completion of the program; and default procedures.

261—20.7(260G) Monitoring. IDED will monitor ACE projects to ensure compliance with all program requirements.

261—20.8(260G) Customer tracking system. Participants in the ACE program shall be included in the customer tracking system implemented by Iowa Workforce Development. In order to achieve this, social security numbers of all ACE program trainees will be required.

261—20.9(260G) Program costs recalculation. Program costs shall be calculated or recalculated on an annual basis based on the required program services for a specific number of participants. Agreement updates reflecting this recalculation must be submitted to IDED annually to review compliance with program parameters.

PART II - CAPITAL COSTS COMPONENT

261—20.10(260G) Threshold requirements. To be considered for funding, an applicant shall meet the following threshold requirements:

1. There must be documentation of pledged program positions paying at least 200 percent of the poverty level for a family of two. If the wage designated is after a training or probationary period, the employer must document that there is a plan in place regarding time frames for transition to the permanent full-time wage, and the employer must provide documentation that these time frames are reasonable and that the employer has previously adhered to the time schedule.

2. Documentation must be provided to demonstrate that the program meets the definition of an eligible ACE program.

3. An applicant must demonstrate that the project builds the capacity of the community college to train additional students for available jobs.

4. Documentation must be supplied to establish a 20 percent employer cash or in-kind match for program operating funds.

5. An applicant shall describe how the project enhances geographic diversity of project offerings across the state.

6. The community college must document that other private or public sources of funds are maximized prior to ACE program capital cost funding.

7. ACE program capital cost projects must enhance the geographic diversity of state investment in Iowa. The IDED board will continuously review projects to ensure that there is statewide impact. The IDED board will prioritize projects to ensure geographic diversity.

8. Funds shall only be used for ACE program capital costs for projects that meet the definition of vertical infrastructure. Building repair, renovation and construction for purposes of ACE program equipment installation shall be allowed.

261—20.11(260G) Application procedures.

20.11(1) Final application. Applicants shall submit a final application to IDED to request capital funds.

20.11(2) Staff review and recommendation. A committee of IDED staff will review and rate applications based upon the rating criteria stated in 261—20.12(260G). Based upon this review, a decision will be made regarding submittal of the application to the IDED board for action.

20.11(3) IDED board action. The IDED board will review ACE program capital cost projects meeting the requirements prescribed in these rules. A program agreement, which is approved by the community college board of directors, must be attached to the final application. Approval or denial of submitted applications that are complete and in final form shall be made no later than 60 days following receipt of the application by the department. Subsequent to board approval, an award letter will be sent. The award letter will be followed by a contract. After a signed contract is in place, funding for a project may be requested.

261—20.12(260G) Evaluation criteria for competitive awards—capital costs projects. Applications and accompanying program agreements meeting all ACE eligibility requirements will be prioritized and rated using the following point criteria:

1. The degree to which the applicant adequately demonstrates a lack of existing public or private infrastructure for development of the partnership. There must be a demonstration that the project will build capacity in order for the project to be considered. Capacity will be measured in terms of jobs that are pledged, students that are interested in the program area and the capacity that is built at the community college to undertake the programming. Up to 33 points will be awarded.

2. Demonstration that the jobs that would result from the partnership would include wages, benefits and other attributes that would improve the quality of employment within the region. Projects where the average wage for the pledged jobs exceeds the regional or county average wage, whichever is lower for the location where the training is to be provided, will be awarded points based upon the percentage that the average wage of the pledged jobs exceeds the applicable average wage. Up to 33 points will be awarded.

3. Evidence of local, public or private contributions that meet the requirements of Iowa Code Supplement chapter 260G. Projects will be rated based upon the percentage of match that is pledged to the ACE program capital cost for the project. Up to 34 points will be awarded.

Applications that do not receive at least 66 out of 100 points will not be forwarded to the IDED board for review. Projects will be competing against each other for IDED board approval and the number of points that a project receives will be considered in the award process.

PART III - PROGRAM JOB CREDITS

261—20.13(260G) Threshold requirements—program job credits. To be eligible to receive program job credits, an applicant shall meet the following threshold requirements:

1. There must be documentation of pledged program positions paying at least 200 percent of the poverty level for a family of two. If the wage designated is after a training or probationary period, the employer must document that there is a plan in place regarding time frames for transition to the permanent full-time wage, and the employer must provide documentation that these time frames are reasonable and that the employer has previously adhered to the time schedule.

2. Documentation must be provided to demonstrate that the program meets the definition of an eligible ACE program.

3. Documentation must be supplied to establish a 20 percent employer cash or in-kind match for program operating funds.

4. An applicant shall describe how the project enhances geographic diversity of project offerings across the state.

261—20.14(260G) Job credits allocation.

20.14(1) In FY 2001, the department shall allocate \$80,000 of the first \$1,200,000 of program job credits authorized and available for that fiscal year to each community college. If a community college does not commit its allocation by April 1, 2001, its allocation will be lost and will revert back to the state to be awarded to other community colleges on a competitive basis as described in these rules. If a community college commits its allocation, it is committed for the length of the project.

20.14(2) In FY 2002, the department shall allocate \$80,000 of the first \$1,200,000 of program job credits authorized and available for that fiscal year to each community college. If a community college does not commit its allocation by April 1, 2002, its allocation will be lost and will revert back to the state to be awarded to other community colleges on a competitive basis as described in these rules. If a community college has a program to which its FY 2001 allocation has been committed, the FY 2002 allocation will be used to cover that commitment; this FY 2002 allocation is not in addition to the allocation from FY 2001.

20.14(3) In FY 2003, and for every fiscal year thereafter, the department of economic development shall divide equally among the community colleges 30 percent, or \$120,000, of the program job credits available for that fiscal year to each community college to be used to provide funding for approved programs. If a community college does not commit its allocation by April 1, 2003, its allocation will be lost and will revert back to the state to be awarded to other community colleges on a competitive basis as described in these rules. If a community college has a program(s) to which its previous fiscal year's allocation is committed, the FY 2003 allocation will be used to cover that (those) commitment(s); the fiscal year's allocation is not in addition to the allocations from previous fiscal years.

20.14(4) Examples.

FY 2001: Allocation – \$80,000
 Contract #1 – first year — \$100,000
 Funded by – \$80,000 from allocation
 \$20,000 from competitive dollars

FY 2002: Allocation – \$80,000
 Contract #1 – second year — \$100,000
 Funded by – \$80,000 from allocation
 \$20,000 from competitive dollars
 Contract #2 – first year — \$120,000
 Funded by – \$120,000 from competitive dollars

FY 2003: Allocation – \$120,000
 Contract #1 – third year — \$100,000
 Funded by – \$100,000 from allocation
 Contract #2 – second year — \$120,000
 Funded by – \$20,000 from allocation
 \$100,000 from competitive dollars

261—20.15(260G) Determination of job credits, notice and certification.

20.15(1) *Determination of job credit amounts.* If a program provides that part of the program costs are to be met by receipt of program job credits, the method to be used shall be as follows:

a. Program job credits shall be based upon the program job positions identified and agreed to in the agreement.

b. Eligibility for program job credits shall be based on certification of program job positions and program job wages by the employer at the time established in the agreement.

c. An amount up to 10 percent of the gross program job wages as certified by the employer in the agreement shall be credited from the total payment made by an employer pursuant to Iowa Code section 422.16.

d. The employer shall remit the amount of the credit quarterly, in the same manner as withholding payments are reported to the department of revenue and finance, to the community college to be allocated to and, when collected, paid into a special fund of the community college to pay, in part, the program costs.

e. When the program costs have been paid, the employer credits shall cease and any moneys received after the program costs have been paid shall be remitted to the treasurer of state to be deposited in the general fund of the state.

20.15(2) Notice to revenue and finance department. The employer shall certify to the department of revenue and finance that the program job credit is in accordance with the agreement and shall provide other information the department may require.

20.15(3) Certification of amount of job credits. A community college shall certify to the department of revenue and finance that the amount of the program job credit is in accordance with an agreement and shall provide other information the department may require.

261—20.16(260G) Application procedures.

20.16(1) Initial applications for program job credits shall be accompanied by a program agreement documenting that all ACE eligibility requirements have been met. For subsequent years' funding of approved programs, agreement updates shall be submitted annually reflecting any recalculation of program costs and substantiation of continued compliance with program parameters.

20.16(2) Applications for projects that cross community college boundaries, or for projects that involve employers from multiple community college areas, must have sign off from all college areas involved.

20.16(3) Application deadlines. Applications for the fall semester 2000 will be taken at any time through the term of the fall semester. Applications for the winter semester 2001 must be submitted by October 15, 2000, for approval. Subsequent application deadlines will be:

- Fall semester - applications must be submitted by May 15.
- Winter semester - applications must be submitted by October 15.

20.16(4) Applications submitted for an amount less than or equal to a community college's yearly allocation will be considered noncompetitive and will be reviewed for eligibility and completeness by the department. The department reserves the right to require additional information from the community college.

261—20.17(260G) Evaluation criteria for competitive awards—program job credits. Applications submitted for funding greater than a community college's yearly allocation will be reviewed on a competitive basis and rated on the following criteria:

1. The quality of the program up to 17 points.
2. The number of program participant placements up to 17 points.
3. The wages and benefits in program jobs up to 17 points.
4. The level of employer contributions up to 17 points.
5. The industrial cluster into which the program falls up to 17 points.
6. The geographic location of the employers up to 15 points.

Applicants must receive at least 65 points out of 100 to be funded. An award letter will be issued followed by a contract.

261—20.18(260G) Committed funds. The department shall maintain an annual record of the proposed program job credits under each agreement for each fiscal year. When the total available program job credits have been allocated for a fiscal year, the department shall inform all community colleges that the maximum amount has been allocated and that further program job credits will not be available for the remainder of the fiscal year. If any committed credits become uncommitted after the above-mentioned notice has been issued, the department will inform all community colleges that some job credits are again available and applications will be accepted for those job credits until they are again committed.

These rules are intended to implement Iowa Code Supplement chapter 260G as amended by 2000 Iowa Acts, Senate File 2439, and 2000 Iowa Acts, Senate File 2453.

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