ARC 0789D

WORKFORCE DEVELOPMENT DEPARTMENT[871]

Adopted and Filed

Rulemaking related to career training physical expansion program

The Workforce Development Department hereby adopts new Chapter 70, "Career Training Physical Expansion Program," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapter 17A.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 17A.

Purpose and Summary

The purpose of this rulemaking is to establish rules to administer the Career Training Physical Expansion Program Fund created in Iowa Code section 84J.3 as enacted by 2026 Iowa Acts, Senate File 2168.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on September 30, 2026, as **ARC 0630D**. Public hearings were held on the following date:

- October 20, 2026

No one attended the public hearings. No public comments were received. One change from the Notice has been made to remove the dollar amount from the definition of "equipment" in rule 871—70.2(84J).

Adoption of Rulemaking

This rulemaking was adopted by the Director of the Department on November 4, 2026.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on December 30, 2026.

The following rulemaking action is adopted:

ITEM 1. Adopt the following **new** 871—Chapter 70:

CHAPTER 70
CAREER TRAINING PHYSICAL EXPANSION PROGRAM

871—70.1(84J) Purpose. The purpose of the career training physical expansion program is to provide financial assistance for 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.

871—70.2(84J) Definitions.

"Applicant" means an Iowa community college or unionized or nonunionized private sector apprenticeship program applying for assistance under the program.

"Apprenticeship" means a structured training program that combines supervised paid on-the-job training with classroom instruction.

"Community college" means the same as defined in Iowa Code section 260C.2.

"Construction of new facilities" means the process of assembling, erecting, or modifying a physical structure for the purpose of expanding capacity to provide education and training for workers in high-demand fields in this state. Major maintenance of an existing facility does not qualify.

"Department" means the department of workforce development.

"Department's website" means the information and related content found at www.workforce.iowa.gov and may include integrated content at affiliate sites.

"Eligible entity" means a community college or unionized or nonunionized private sector apprenticeship program meeting the requirements of rule 871—70.3(84J).

"Equipment" means specialized hardware, software, or other tangible, nonexpendable property. Additional details on equipment requirements are outlined in the notice of funding opportunity or other grant documents.

"Expand capacity" means to increase the maximum number of slots available in a training or education program for workers in high-demand fields in this state.

"Fund" means the career training physical expansion program fund created in Iowa Code section 84J.3 as enacted by 2026 Iowa Acts, Senate File 2168.

"High-demand field" means the same as the definitions of "high-demand occupation," "high-skill occupation," and "high-wage occupation" created in Iowa Code section 256.125 as amended by 2026 Iowa Acts, House File 2610.

"Internet-based education or training" means the same as the definition of "delivered primarily over the internet" in rule 281—15.1(256).

"Nonduplicative training" means that a project funded via this program will avoid recreating current training programs but will modernize the structure and delivery of a training program, education program, or both that will directly result in an increase in the number of workers in high-demand fields in this state.

"Private sector apprenticeship program" means a paid apprenticeship program offered by, or in partnership with, a private company in Iowa.

"Procurement" means the same as defined in rule 11—117.2(8A).

"Program" means the career training physical expansion program established in this chapter.

871—70.3(84J) Program eligibility. To be eligible for financial assistance under the program, an applicant must propose the construction of a new training facility, construction to expand an existing training facility in accordance with the definition of "construction of new facilities" in rule 871—70.2(84J), or the procurement of equipment that will expand the capacity to educate and train workers in high-demand fields in Iowa.

70.3(1) *Employer demand.* Applicants must provide evidence of employer demand for the skills and abilities to be taught via the training and education or apprenticeship program for which an applicant applies.

70.3(2) *Expand capacity.* The project must directly result in an increase in the number of workers in high-demand fields in this state.

70.3(3) *Internet-based education or training.* Projects to increase internet-based education or training are ineligible for financial assistance under this program.

70.3(4) *Priority given for nonduplicative training.* Priority will be given to projects that meet the definition of "nonduplicative training" in rule 871—70.2(84J).

871—70.4(84J) Application submission and review process.

70.4(1) The department will develop a standardized application process and make information on applying available on the department's website. To apply for assistance under the program, an applicant shall submit an application to the department in the manner prescribed by the department. The department will identify specific types of investments for which it intends to provide financial assistance on the application form or forms.

70.4(2) Applications will be accepted and processed by department staff on a continuing basis, or the department may establish application periods as announced on the department's website. If received on a continuing basis, applications will be reviewed in the order received by the department.

70.4(3) The department may refuse to accept incomplete applications or may refuse to accept applications because of insufficient funds.

70.4(4) The department will determine the financial assistance award if it determines that financial assistance should be awarded. The department has final decision-making authority on requests for financial assistance for the program. The department will take final action on all applications for financial assistance except those rejected pursuant to subrule 70.4(3). The department may approve an award, decline to award, or choose to reopen the application window.

70.4(5) An applicant may submit one application per funding cycle for the duration of the program.

70.4(6) Applicants will be notified in writing of an award of financial assistance, including any conditions and terms of the award, or of a denial of an award of financial assistance.

871—70.5(84J) Application scoring criteria. When applications for financial assistance under the program are reviewed by department staff, the following criteria will be considered and the application scored as described.

70.5(1) The extent to which the applicant's investment demonstrates employer demand in this state for the training and education to be provided.

70.5(2) The extent to which the investment expands the physical capacity of the community college or apprenticeship program.

70.5(3) The extent to which the investment increases the number of workers in high-demand fields in this state. Priority points will be awarded for greater increased capacity.

70.5(4) The extent to which the applicant demonstrates regional need for increased capacity of trained individuals in the high-demand jobs.

70.5(5) Whether and the extent to which the applicant has previously received financial assistance from the program.

70.5(6) For awards under subsequent funding rounds, whether and the extent to which the applicant demonstrates increased training and education completions under previous projects.

70.5(7) The sufficiency of the proposed investment's financing structure, the feasibility of the sources of funds, and the appropriateness of the proposed uses of the funds.

871—70.6(84J) Contract administration.

70.6(1) The department will prepare a contract for each award approved by the department. The contract will reflect the terms of the award and may include other terms and conditions reasonably necessary for implementation of the program pursuant to this chapter.

70.6(2) Any substantive change to a proposed investment shall require an amendment to the contract. Amendments shall be requested in writing. No amendment shall be valid until approved by the department.

871—70.7(84J) Disbursement of funds.

70.7(1) The department will disburse funds for an investment only after a complete application has been received, an award has been approved by the department, a contract has been executed between the applicant and the department, and all applicable conditions for disbursement have been met, including the submission of documentation pertaining to the eligible expenditures. Disbursement of funds under the contract will be on a reimbursement basis for expenses incurred by the applicant after the date of application and as provided under the contract. Expenditures for labor performed by an applicant's employees are not eligible for reimbursement.

70.7(2) Administrative cost. The department will retain 2.0 percent of each appropriation for administration of this program.

871—70.8(84J) Reporting. An applicant receiving assistance under the program shall submit any information reasonably requested by the department in sufficient detail to permit the department to prepare any reports required by the department, the general assembly, or the governor's office.

These rules are intended to implement Iowa Code chapter 17A and chapter 84J as enacted by 2026 Iowa Acts, Senate File 2168.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 11/25/26.