

**EDUCATION DEPARTMENT[281]**

**Notice of Intended Action**

**Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”**

**Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.**

Pursuant to the authority of Iowa Code section 256.7(5), the State Board of Education hereby proposes to adopt new Chapter 27, “Workforce Training and Economic Development Funds,” Iowa Administrative Code.

This chapter establishes a workforce training and economic development program to provide revenue for each community college to address the workforce development needs of the state. The primary focus of the workforce training and economic development program is to provide training and retraining of Iowa workers to develop the employee skills needed in targeted areas or to address a workforce development need of a targeted area.

An agencywide waiver provision is provided in 281—Chapter 4.

Interested individuals may make written comments on the proposed rules on or before July 29, 2014, at 4:30 p.m. Comments on the proposed rules should be directed to Jeremy Varner, Iowa Department of Education, Second Floor, Grimes State Office Building, Des Moines, Iowa 50319-0146; telephone (515)281-8260; e-mail [jeremy.varner@iowa.gov](mailto:jeremy.varner@iowa.gov); or fax (515)242-5988.

A public hearing will be held on July 29, 2014, from 11 a.m. to 12 noon in the State Board Room, Second Floor, Grimes State Office Building, East 14th Street and Grand Avenue, Des Moines, Iowa, at which time persons may present their views either orally or in writing. Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should advise the Department of Education of their specific needs by calling (515)281-5295.

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

These rules are intended to implement Iowa Code section 260C.18A.

The following amendment is proposed.

Adopt the following **new** 281—Chapter 27:

CHAPTER 27

WORKFORCE TRAINING AND ECONOMIC DEVELOPMENT FUNDS

**281—27.1(260C) Purpose.** The purpose of the workforce training and economic development funds is to provide revenue for each community college to address the workforce development needs of the state. The primary focus of workforce training and economic development funds is to provide training and retraining of Iowa workers to develop the skills of employees employed in targeted areas or to address a workforce development need of a targeted area. Moneys are appropriated for each community college from the Iowa skilled worker and job creation fund to the workforce training and economic development funds.

**281—27.2(260C) Definitions.**

“Community college” or “college” means a community college established under Iowa Code chapter 260C.

“Department” means the Iowa department of education.

“Fund” or “funds” means the workforce training and economic development funds created by Iowa Code section 260C.18A and allocated to each community college.

“*Project*” means a training or educational activity funded by a workforce training and economic development fund.

“*State board*” or “*board*” means the Iowa state board of education.

“*Targeted areas*” means the areas of advanced manufacturing; information technology and insurance; alternative and renewable energy including the alternative and renewable energy sectors listed in Iowa Code section 476.42(1)“*a*”; and life sciences, which include the areas of biotechnology, health care technology, and nursing care technology.

**281—27.3(260C) Funds allocation.** The department shall allocate moneys, appropriated by the general assembly or other moneys accepted by the department, for the workforce training and economic development fund established for each community college by utilizing the most current distribution formula that is used for the allocation of state general aid to the community colleges available on July 1 of the fiscal year for which funds are being allocated. Each community college shall establish a workforce training and economic development fund account within its college accounting system into which the department shall make deposits of the allocated moneys. The deposits shall be made quarterly or on a more frequent basis. Moneys that are not used and that remain in a community college’s fund at the end of a fiscal year shall remain available to that college for expenditure in subsequent fiscal years.

**281—27.4(260C) Community college workforce and economic development fund plans and progress reports.** For the fiscal year beginning July 1, 2013, and each fiscal year thereafter, each community college, to receive its allocation for the forthcoming fiscal year, shall prepare and submit to the department for state board consideration the following items for the fiscal year.

**27.4(1) Workforce training and economic development fund plan.** Each college shall adopt a workforce training and economic development fund plan for the upcoming year that outlines the community college’s proposed use of moneys appropriated to its workforce training and economic development fund. Plans shall be based on fiscal years and must be submitted to the department, in a manner prescribed by the department, by September 30 for the current fiscal year allocation. Plans shall describe how the college proposes to allocate funds to support individual allowable uses pursuant to 281—27.5(260C) and the planned amount to be used to support targeted areas.

**27.4(2) Progress reports.** Each college that receives an allocation of moneys pursuant to 281—27.3(260C) shall prepare an annual progress report detailing the plan’s implementation. The report shall be submitted to the department by September 30 of each year in a manner and form as prescribed by department. The report shall provide information regarding projects supported by the college’s fund including, but not limited to, the number of participants enrolled in each program, the number of participants who complete each program, the dollars spent on each allowable use pursuant to 281—27.5(260C), the dollars spent in targeted areas, and other data necessary to report on state program performance metrics.

**281—27.5(260C) Use of funds.** Moneys deposited into each community college fund may be expended for the following permissive uses, provided that 70 percent of the moneys be used on projects in targeted areas and projects are operated in compliance with state and federal law:

**27.5(1)** Projects in which an agreement between a community college and an employer located within the community college’s merged area meets all of the requirements of the accelerated career education program pursuant to Iowa Code chapter 260G and 261—Chapter 20 and which are approved by the Iowa economic development authority, when applicable.

**27.5(2)** Projects in which an agreement between a community college and a business meets all the requirements of the Iowa jobs training Act under Iowa Code chapter 260F and 261—Chapter 7.

**27.5(3)** For the development and implementation of career academies meeting all of the requirements of 281—47.1(260C).

**27.5(4)** Programs and courses that provide vocational and technical training and programs for in-service training and retraining under Iowa Code section 260C.1, subsections 2 and 3. As it pertains to Iowa Code section 260C.1, subsection 2, vocational and technical training shall mean new or expanded

career and technical education coursework that has department approval and results in the conferring of a diploma, degree, or certificate. The enhancement of academic core courses within career and technical programs is also eligible. As they pertain to Iowa Code section 260C.1, subsection 3, eligible activities shall mean short-term, noncredit training and retraining projects.

**27.5(5)** Development and implementation of the pathways for career and employment program meeting all of the requirements of Iowa Code chapter 260H and 281—Chapter 25.

**27.5(6)** Development and implementation of the GAP tuition assistance program meeting all of the requirements of Iowa Code chapter 260I and 281—Chapter 25.

**27.5(7)** Programs for entrepreneurship education, small business assistance, and business incubators.

**27.5(8)** Development and implementation of the National Career Readiness Certificate and the Skills Certification System endorsed by the National Association of Manufacturers.

**281—27.6(260C) Prior approval.** Any individual project using over \$1 million of moneys from a workforce training and economic development fund shall require prior approval from the state board of education.

**281—27.7(260C) Annual plan and progress report approval.**

**27.7(1)** The state board of education shall review and consider approval of reports and plans submitted pursuant to 281—27.4(260C).

**27.7(2)** The state board of education may reject a plan or progress report for any of the following reasons, including but not limited to:

- a. Incomplete information or data;
- b. Seventy percent of fund expenditures not utilized for projects in the areas of advanced manufacturing; information technology and insurance; alternative and renewable energy including the alternative and renewable energy sectors listed in Iowa Code section 476.42(1) “a”; and life sciences which include the areas of biotechnology, health care technology, and nursing care technology;
- c. Project not operated in compliance with state or federal law.

**281—27.8(260C) Options upon default or noncompliance.** If the state board does not accept a college’s annual progress report, the college shall be subject to the following actions as prescribed by the board based upon the severity of the noncompliance or default, including but not limited to:

1. The withholding of a portion of new fiscal year moneys based upon amounts awarded deemed to be ineligible;
2. Tighter oversight and control of the college’s fund by the department;
3. Loss of funds for one year;
4. Other action deemed appropriate by the board.

These rules are intended to implement Iowa Code section 260C.18A.