

**WORKFORCE DEVELOPMENT DEPARTMENT[871]**

**Notice of Intended Action**

**Proposing rule making related to employer innovation fund  
and providing an opportunity for public comment**

The Director of the Workforce Development Department hereby proposes to adopt new Chapter 16, “Employer Innovation Fund,” Iowa Administrative Code.

*Legal Authority for Rule Making*

This rule making is proposed under the authority provided in Iowa Code section 96.11.

*State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code chapter 96 and 2018 Iowa Acts, chapter 1067.

*Purpose and Summary*

This proposed new chapter establishes rules and procedures for implementation and administration of the new Employer Innovation Fund, as enacted by the Future Ready Iowa Act.

*Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa.

*Jobs Impact*

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

*Waivers*

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

*Public Comment*

Any interested person may submit written comments concerning this proposed rule making. Written comments in response to this rule making must be received by the Department no later than 4:30 p.m. on June 11, 2019. Comments should be directed to:

David Steen  
Department of Workforce Development  
1000 East Grand Avenue  
Des Moines, Iowa 50319-0209  
Email: [david.steen@iwd.iowa.gov](mailto:david.steen@iwd.iowa.gov)

*Public Hearing*

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making 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).

The following rule-making action is proposed:

Adopt the following **new** 871—Chapter 16:

CHAPTER 16  
EMPLOYER INNOVATION FUND

**871—16.1(96,87GA,ch1067) Purpose.** The Iowa department of workforce development shall implement and administer the employer innovation fund. The purpose of the employer innovation fund is to expand opportunities for credit and noncredit education and training for residents of Iowa, leading to high-demand jobs, and to encourage Iowa employers, community leaders, and others to provide leadership and support for regional workforce talent pools throughout the state. The state of Iowa seeks to encourage employers and foster new and creative initiatives toward the objectives of increasing employers' access to the workforce and assisting workers in finding long-term opportunities in high-demand sectors of the Iowa economy.

**871—16.2(96,87GA,ch1067) Definitions.** As used in this chapter:

*“High-demand job”* means a job identified by the workforce development board or by a community college pursuant to 2018 Iowa Acts, chapter 1067.

*“Internship”* means temporary employment of a student that focuses on providing the student with work experience in the student's field of study.

**871—16.3(96,87GA,ch1067) Administration.**

**16.3(1)** The employer innovation fund shall be managed and administered by the Iowa department of workforce development after consultation with the workforce development board.

**16.3(2)** An employer with its principal place of business in the state of Iowa, an employer consortium, a community organization, or another entity seeking matching funds may submit innovative, dynamic proposals for initiatives that expand opportunities for residents of Iowa to access training and education opportunities leading to high-demand jobs.

**16.3(3)** The Iowa department of workforce development shall promulgate a policy for the application process for the employer innovation fund.

*a.* Proposals shall be submitted directly to the director of the department of workforce development for consideration.

*b.* Proposals are to be submitted on an annual basis by June 1 of each calendar year, except calendar year 2019, in which proposals are to be submitted by August 1.

*c.* Proposals shall contain a written, detailed plan, to include a narrative outlining the initiative to be pursued, the manner in which the initiative would be implemented, the costs involved, the number of participants to be served, whether the initiative will offer academic credit, and the outcomes expected to be achieved.

*d.* Any funds remaining after the initial awards are designated will be made available in additional application rounds.

**16.3(4)** The employer innovation fund can be used for credit and noncredit programs; for wrap-around support programs in areas such as child care, transportation, books, equipment, and fees; or for other innovative ideas and proposals that can assist Iowa residents in completing training and education.

*a.* Initiatives which qualify for the employer innovation fund must be tied to outcomes in employment and training in high-demand jobs or in jobs that are needed in the local area as identified with supporting data.

*b.* Initiatives do not have to be 15 weeks long or Pell Grant-eligible in order to qualify for the employer innovation fund.

*c.* Housing expenses, such as rent, do not qualify for consideration for matching funds under the employer innovation fund.

**16.3(5)** Employers must prove the existence and security of the original funds in order to qualify for a match from the employer innovation fund.

*a.* Proof may be provided by an official statement from a Federal Deposit Insurance Corporation (FDIC)-insured financial institution holding the funds.

*b.* In the absence of a statement from a financial institution, an affidavit from a certified public accountant can be used to certify the existence and security of the funds to be matched pursuant to this chapter.

**16.3(6)** Funds matched, along with the original funds provided by the employer, must be kept in a separate, FDIC-insured account.

**16.3(7)** Employer recipients must provide a detailed report of the use of the funds by December 31 of each calendar year. The detailed report shall be submitted to the director of the department of workforce development and include:

*a.* The date of funds received.

*b.* The amount of funds received.

*c.* The amount of funds provided by the employer.

*d.* The number of individuals, agencies, businesses, and others who received the funds.

*e.* The balance of available funds remaining as of December 31 of the reporting year.

*f.* A description of the activities paid for by the funds, along with amounts disbursed for each activity, and the number of participants served.

*g.* The completion rate for individuals supported by the award, including the specific credit or noncredit program completed.

*h.* Employment and wage outcomes.

These rules are intended to implement Iowa Code chapter 96 and 2018 Iowa Acts, chapter 1067.