

**ECONOMIC DEVELOPMENT AUTHORITY[261]**

**Notice of Intended Action**

**Proposing rule making related to apprenticeships  
and providing an opportunity for public comment**

The Economic Development Authority hereby proposes to amend Chapter 12, “Apprenticeship Training Program,” and Chapter 13, “Future Ready Iowa Registered Apprenticeship Development Fund,” and to adopt new Chapter 14, “Future Ready Iowa Expanded Registered Apprenticeship Opportunities Program,” Iowa Administrative Code.

*Legal Authority for Rule Making*

This rule making is proposed under the authority provided in 2020 Iowa Acts, House File 2629.

*State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code chapter 15C.

*Purpose and Summary*

2020 Iowa Acts, House File 2629, creates new Iowa Code section 15C.2, the Future Ready Iowa Expanded Registered Apprenticeship Opportunities Program, and directs the Authority to promulgate rules. The purpose of the program is to encourage sponsors of apprenticeship programs with 20 or fewer apprentices to maintain programs in high-demand occupations. The Act also amends Iowa Code chapter 15B and section 15C.1 to exclude apprenticeship sponsors from participating in more than one apprenticeship program administered by the Authority in the same fiscal year.

*Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa. No funds have been appropriated for the program.

*Jobs Impact*

After analysis and review of this rule making, the Authority has determined that if the Legislature appropriates funds for the program, this rule making will positively impact jobs in the state of Iowa by implementing the administration of a program designed to support apprentices and businesses in high-demand jobs.

*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 Authority for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

*Public Comment*

Any interested person may submit written or oral comments concerning this proposed rule making. Written or oral comments in response to this rule making must be received by the Authority no later than 4:30 p.m. on December 8, 2020. Comments should be directed to:

Lisa Connell  
Iowa Economic Development Authority  
1963 Bell Avenue, Suite 200  
Des Moines, Iowa 50315  
Phone: 515.348.6163  
Email: [lisa.connell@iowaeda.com](mailto:lisa.connell@iowaeda.com)

*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 actions are proposed:

ITEM 1. Adopt the following **new** subrule 12.5(4):

**12.5(4)** An apprenticeship sponsor receiving financial assistance under Iowa Code chapter 15C is ineligible for financial assistance under this chapter during the same fiscal year.

ITEM 2. Amend paragraph **13.4(1)“b”** as follows:

*b.* An apprenticeship sponsor receiving financial assistance under Iowa Code chapter 15B or section 15C.2 is ineligible for financial assistance under this chapter during the same fiscal year.

ITEM 3. Adopt the following **new** 261—Chapter 14:

CHAPTER 14  
FUTURE READY IOWA EXPANDED REGISTERED  
APPRENTICESHIP OPPORTUNITIES PROGRAM

**261—14.1(15C) Purpose.** Pursuant to Iowa Code section 15C.2, the authority is directed to administer a future ready Iowa expanded registered apprenticeship opportunities program. The purpose of the program is to provide financial assistance to encourage apprenticeship sponsors of apprenticeship programs with 20 or fewer apprentices to maintain apprenticeship programs in high-demand occupations.

**261—14.2(15C) Definitions.** For purposes of this chapter, unless the context otherwise requires:

“*Agreement*” means a contract for financial assistance under the program describing the terms on which the financial assistance is to be provided.

“*Applicant*” means a new or existing apprenticeship sponsor located in Iowa that has established an apprenticeship program involving an eligible apprenticeable occupation that is located in Iowa and approved by the United States Department of Labor, Office of Apprenticeship.

“*Apprentice*” means a person who is at least 16 years of age, except where a higher minimum age is required by law, who is employed in an apprenticeable occupation, and is registered in Iowa with the United States Department of Labor, Office of Apprenticeship.

“*Apprenticeable occupation*” means an occupation approved for apprenticeship by the United States Department of Labor, Office of Apprenticeship.

“*Apprenticeship program*” means a program registered with the United States Department of Labor, Office of Apprenticeship, which includes terms and conditions for the qualification, recruitment, selection, employment, and training of apprentices, including the requirement for a written apprenticeship agreement.

“*Apprenticeship sponsor*” means an entity operating an apprenticeship program or an entity in whose name an apprenticeship program is being operated, which is registered with or approved by the United States Department of Labor, Office of Apprenticeship.

“*Authority*” means the economic development authority created in Iowa Code section 15.105.

“*Director*” means the director of the authority.

“*Eligible apprenticeable occupation*” means an apprenticeable occupation identified by the workforce development board or a community college, pursuant to Iowa Code section 84A.1B, as a high-demand job, after consultation with the authority.

“*Financial assistance*” means assistance provided only from the funds, rights, and assets legally available to the authority and includes but is not limited to assistance in the form of a reimbursement grant of \$1,000 per apprentice in an eligible apprenticeable occupation.

“*Program*” means the procedures, agreement, terms, and assistance established and provided pursuant to this chapter.

## **261—14.3(15C) Program description.**

### **14.3(1) Amount, form, and timing of assistance.**

*a.* Financial assistance received by an apprenticeship sponsor under this chapter shall be used only for the cost of conducting and maintaining an apprenticeship program.

*b.* Applicants are eligible to apply for grant awards annually based on the number of apprentices in an eligible apprenticeable occupation who are active in their program or who have completed a registered apprenticeship program in the calendar year prior to the applicant window. Applicants will receive \$1,000 per active or completed apprentice in their program, up to \$20,000.

### **14.3(2) Application.**

*a. Forms.* All applications and other filings related to the program shall be on such forms and in accordance with such instructions as may be established by the authority. Information about the program, the application, and application instructions may be obtained by contacting the authority or by visiting the authority’s website:

Iowa Economic Development Authority  
1963 Bell Avenue, Suite 200  
Des Moines, Iowa 50315  
(515)348-6200  
[iowaeda.com](http://iowaeda.com)

*b. Application requirements.* An apprenticeship sponsor seeking financial assistance under these rules shall provide the following information to the authority:

(1) The address and federal apprentice registration number of each apprentice who was actively training in the apprenticeship program as of December 31 of the year prior to submitting the application or completed training during the calendar year prior to submitting the application.

(2) The address and a description of the physical location where in-person training is conducted.

(3) A certification of the apprenticeship sponsor’s training standards as most recently approved by the United States Department of Labor, Office of Apprenticeship.

(4) A certification of the apprenticeship sponsor’s compliance review or quality assessment as most recently conducted by the United States Department of Labor, Office of Apprenticeship, unless the apprenticeship sponsor has not been subjected to a compliance review or quality assessment.

(5) A program budget including how financial assistance awarded under the program will be used.

(6) Any other information the authority reasonably requires to determine eligibility and to make award determinations.

*c. Application period.* Each fiscal year during which funding is available, applications for financial assistance will only be accepted between January 1 and February 1 of each calendar

year following the start of the fiscal year. The authority may adjust these dates under extenuating circumstances and will notify affected parties. The authority may add a funding window if available funds are not exhausted during the initial submission window and will publish such application dates on the authority's website.

*d. Complete application required.* An application shall not be considered submitted for review until the application is completed and all required supporting documentation and information are provided to the authority.

**14.3(3) Application review.** If the amount of funding requested by eligible applicants exceeds the amount of funding available to the authority in any given fiscal year, authority staff will make recommendations to the director as to allocation of available funding based on the scoring criteria described in subrule 14.4(2). The authority may deny applications for incompleteness or because of insufficient funds.

## **261—14.4(15C) Program eligibility, application scoring, and awards.**

### **14.4(1) Program eligibility.**

*a.* To be considered for an award under this program, an apprenticeship program sponsor must meet the following eligibility requirements:

(1) The apprenticeship sponsor has an apprenticeship program with at least one eligible apprenticeable occupation.

(2) Twenty or fewer apprentices are registered in the apprenticeship program as of December 31 of the calendar year prior to the date the authority receives the eligible apprenticeship sponsor's application. Apprentices are considered registered in the program as of December 31 if they were actively training as of December 31 or completed training during the calendar year prior to the date the authority receives the apprenticeship sponsor's application.

(3) More than 70 percent of the applicant's apprentices are residents of Iowa, and the remainder of the applicant's apprentices are residents of states contiguous to Iowa. In determining the number of apprentices in an applicant's apprenticeship program for the purposes of determining the percentage of Iowa residents, the authority may calculate the average number of apprentices in the program within the most recent two-year period.

*b.* An apprenticeship sponsor receiving financial assistance under Iowa Code chapter 15B or section 15C.1 is ineligible for financial assistance under these rules during the same fiscal year.

*c.* An apprenticeship sponsor who trains through a lead apprenticeship sponsor that qualifies for financial assistance under Iowa Code chapter 15B is ineligible to receive financial assistance under these rules.

**14.4(2) Application scoring criteria.** Applications for financial assistance under the program shall be reviewed and scored as described below. To be considered eligible for funding, an application must receive a minimum score of 65 out of a possible 100 points and meet all other eligibility criteria specified in these rules. If an applicant does not meet all eligibility requirements, the application will not be scored.

*a. Budget and costs.* The extent to which the applicant's budget and estimated or real program costs are based on industry standards for the eligible occupation. (maximum 30 points)

*b. Application of financial assistance.* The applicant has provided specific details regarding the use of funding and how it will be applied. (maximum 30 points)

*c. Local support.* The applicant has provided documentation of local support from area partners, such as schools, local government entities, and other employers that may benefit from the apprenticeship program. (maximum 10 points)

*d. Additional funding.* The authority will take into consideration sources of funding for establishing an apprenticeable occupation. Scores will be based on whether the source of funding is public or private, whether the funding is repayable, and the proportion of internal funding to funding from other sources. Higher scores will be awarded if the source of funding is a private entity, if the funding is repayable, and if the amount of internal funding is more than 50 percent of funding needed to establish the apprenticeable occupation. (maximum 10 points)

*e. Certification of worker safety.* The applicant has not violated state or federal statutes, rules or regulations, including environmental and worker safety regulations, or if such violations have occurred, the violations have been addressed and mitigated. (maximum 10 points)

*f. Certification of employment at an Iowa work site.* The applicant has certified that the apprentices identified by their U.S. Department of Labor identification numbers and represented in the application are registered with the applying sponsor or lead sponsor's registered apprenticeship program and that each apprentice listed worked some time in Iowa during the prior calendar year. (maximum 10 points)

**14.4(3) Financial assistance awards.**

*a. Director approval.* The director will make final funding decisions after considering the recommendations of staff. Successful applicants will be notified in writing of an award of financial assistance, including the conditions and terms of approval.

*b. Disbursement of funds.* The authority will disburse funds to a successful applicant only after approval of a completed application and execution of an agreement between the applicant and the authority pursuant to this chapter. Prior to disbursement of funds, the applicant must provide the authority with confirmation of expenses and the authority must confirm that all terms for financial assistance have been met.

*c. Form of financial assistance.* The authority will provide financial assistance in the form of a grant to the applicant. The amount of the grant and any other terms shall be included in the agreement required pursuant to this chapter.

*d. Use of funds.* An applicant shall use funds only for reimbursement of the costs directly related to the project. The authority may require documentation or other information establishing the actual costs incurred for a project. Failure to use the funds for reimbursement of the costs directly related to a project shall be grounds for default under the agreement required pursuant to this chapter.

**261—14.5(15C) Agreement required.**

**14.5(1)** Each applicant that is approved for financial assistance under the program shall enter into an agreement with the authority for the provision of such financial assistance. The agreement will establish the terms on which the financial assistance is to be provided and may include any other terms reasonably necessary for the efficient administration of the program.

**14.5(2)** The authority and the applicant may amend the agreement at any time upon the mutual agreement of both the authority and the applicant.

**14.5(3)** The agreement may require an applicant that has been approved for financial assistance under the program to submit information reasonably required by the authority to make reports to the authority's board, the governor's office, or the general assembly.

These rules are intended to implement Iowa Code section 15C.2.