

**EDUCATION DEPARTMENT[281]**

**Notice of Intended Action**

**Proposing rulemaking related to workforce training and economic development funds  
and providing an opportunity for public comment**

The State Board of Education hereby proposes to rescind Chapter 27, “Workforce Training and Economic Development Funds,” Iowa Administrative Code, and to adopt a new chapter with the same title.

*Legal Authority for Rulemaking*

This rulemaking is proposed under the authority provided in Iowa Code section 256.7.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code section 260C.18A.

*Purpose and Summary*

This proposed rulemaking is in response to Executive Order 10. After review and Regulatory Analysis, the Department of Education determined the current Chapter 27 contains many instances of overly restrictive language and language that duplicates statutory text verbatim. This rulemaking eliminates that language.

*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 State Board for a waiver of the discretionary provisions, if any, pursuant to 281—Chapter 4.

*Public Comment*

Any interested person may submit written or oral comments concerning this proposed rulemaking. Written or oral comments in response to this rulemaking must be received by the Department no later than 4:30 p.m. on January 4, 2024. Comments should be directed to:

Thomas A. Mayes  
Department of Education  
Grimes State Office Building, Second Floor  
400 East 14th Street  
Des Moines, Iowa 50319-0146  
Phone: 515.242.5614  
Email: [thomas.mayes@iowa.gov](mailto:thomas.mayes@iowa.gov)

*Public Hearing*

Public hearings at which persons may present their views orally or in writing will be held as follows:

January 3, 2024  
1 to 1:30 p.m.

State Board Room, Second Floor  
Grimes State Office Building  
Des Moines, Iowa

January 4, 2024  
9 to 9:30 a.m.

State Board Room, Second Floor  
Grimes State Office Building  
Des Moines, Iowa

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department and advise of specific needs by calling 515.281.5295.

*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).

The following rulemaking action is proposed:

ITEM 1. Rescind 281—Chapter 27 and adopt the following **new** chapter in lieu thereof:

CHAPTER 27

WORKFORCE TRAINING AND ECONOMIC DEVELOPMENT FUNDS

**281—27.1(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 under this chapter.

“*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—27.2(260C) Funds allocation.** A fund is created and the department will allocate moneys as specified in Iowa Code section 260C.18A(2).

**281—27.3(260C) Community college workforce and economic development fund plans and progress reports.** Each community college, to receive its allocation for the forthcoming fiscal year, is to prepare and submit to the department for state board consideration the following items for the fiscal year.

**27.3(1) Workforce training and economic development fund plan.** Each college will 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 fund. Plans are to be based on fiscal years and submitted to the department, in a manner prescribed by the department, by September 30 for the current fiscal year allocation. Plans are to describe how the college proposes to allocate funds to support individual allowable uses pursuant to rule 281—27.4(260C) and the planned amount to be used to support targeted areas.

**27.3(2) Progress reports.** Each college that receives an allocation of moneys pursuant to rule 281—27.2(260C) will prepare an annual progress report detailing the plan’s implementation. The report is to be submitted to the department by September 30 of each year in a manner and form as prescribed by the department. The report will provide information regarding projects supported by the college’s fund, including 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 rule 281—27.4(260C), the dollars spent in targeted areas, and other data necessary to report on state program performance metrics.

**281—27.4(260C) Use of funds.** Moneys deposited into each community college fund are to be expended as specified in Iowa Code section 260C.18A. Any individual project using over \$1 million of moneys from a workforce training and economic development fund requires prior approval from the state board.

**281—27.5(260C) Annual plan and progress report approval.**

**27.5(1)** The state board will review and consider approval of reports and plans submitted pursuant to rule 281—27.3(260C).

**27.5(2)** The state board may reject a plan or progress report for any of the following reasons, including:

- a. Incomplete information or data;
- b. Failure to comply with rule 281—27.4(260C);
- c. Project not operated in compliance with state or federal law.

**27.5(3)** If the state board does not accept a college’s annual progress report, the college is subject to the following actions as prescribed by the board based upon the severity of the noncompliance or default, including:

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

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