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**WORKFORCE DEVELOPMENT BOARD AND
WORKFORCE DEVELOPMENT CENTER
ADMINISTRATION DIVISION[877]**

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Regulatory Analysis

Notice of Intended Action to be published: 877—Chapter 1
“Workforce Development Board”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A and chapter 84A as amended by 2023 Acts, Senate File 514

State or federal law(s) implemented by the rulemaking: Iowa Code sections 84A.1A and 84A.1B

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

April 22, 2025
9 a.m.

[Microsoft Teams](#)
Meeting ID: 275 521 681 62
Passcode: aw3Kg9QX
Or dial: +1 469.998.6043
Phone conference ID: 914 241 620#

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Workforce Development Department (Workforce Development) no later than 4:30 p.m. on April 22, 2025. Comments should be directed to:

Brooke Axiotis
Iowa Workforce Development
1000 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.802.9245
Email: brooke.axiotis@iwd.iowa.gov

Purpose and Summary

The purpose of these proposed rules is to clarify the duties of the State Workforce Development Board. In addition, this chapter outlines the coordination of the Department of Corrections and Workforce Development for private sector employment projects.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**
 - **Classes of persons that will bear the costs of the proposed rulemaking:**
Not applicable.
 - **Classes of persons that will benefit from the proposed rulemaking:**
Workforce Development system stakeholders and the general public will benefit.
2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
 - **Quantitative description of impact:**
There is no quantitative impact.
 - **Qualitative description of impact:**
Workforce Development system stakeholders and the general public are provided clarifying information for the work of the State Workforce Development Board.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

None.

- **Anticipated effect on state revenues:**

None.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Not applicable.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

There is no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 877—Chapter 1 and adopt the following **new** chapter in lieu thereof:

CHAPTER 1
WORKFORCE DEVELOPMENT BOARD

877—1.1(84A) Records. Agendas, minutes, and materials presented to the board are available from Iowa Workforce Development, 1000 East Grand Avenue, Des Moines, Iowa 50319, except those records concerning closed sessions that are exempt from disclosure under Iowa Code section 21.5(5) or that are otherwise confidential by law. Board records contain information about persons who participate in meetings. This information is collected pursuant to Iowa Code sections 21.3 and 96.11(6). These records are not stored in an automated data processing system and may not be retrieved by a personal identifier.

877—1.2(84A) Coordination with the department of corrections on private sector employment projects. To assist the department of corrections with programs that employ offenders in the private sector, the department of workforce development shall be responsible for coordinating the following process:

1.2(1) Prior to an employer's submission of an application to the department of corrections for a private sector employment project, the employer shall place with the nearest workforce development center a job order with a duration of at least 30 days. The job order shall be listed statewide in all centers and on the department of workforce development's jobs Internet site.

1.2(2) The department of corrections shall send a letter requesting verification of the employer's 30-day job listing, the average wage rate for the job(s) the offenders will perform, the current unemployment rate in the county where the employer is located, and the current employment level of the company that will employ the offenders. The letter should be sent to Division Administrator, Labor Market Information, Iowa Workforce Development, 1000 East Grand Avenue, Des Moines, Iowa 50319.

1.2(3) The department of workforce development shall verify in writing the job listing, including the number of qualified applicant referrals and hires made as a result of the job order, the average entry-level wage rate for the proposed job(s), the entry-level wage range, the current unemployment rate for the county where the employer is located, and the current employment levels of the company that will employ the offenders based upon the most recent quarter for which data is available. The average wage rate and wage range will be based on the appropriate geographic area for which occupational wage information is available. The appropriate geographic area may be statewide.

1.2(4) Average entry-level wage rates and entry-level wage ranges for jobs currently held by offenders and employment levels of companies employing offenders shall be updated by the department of workforce development annually upon the department of corrections' sending a letter listing all current companies employing offenders and the offenders' job classifications to Division Administrator, Labor Market Information, Iowa Workforce Development, 1000 East Grand Avenue, Des Moines, Iowa 50319.

1.2(5) The department of workforce development shall provide a periodic report to the state workforce development board regarding information supplied to the department of corrections for private sector employment projects. Frequency of the report will depend upon the level of activity.

1.2(6) Inquiries concerning private sector employment projects shall be in writing and address the following questions:

- a. Whether and how the project is believed to violate the intent of Iowa Code section 904.809;
- b. Evidence of a local surplus of labor in the job classifications of the type in which offenders are employed; and
- c. Whether private sector employees or employees involved in a labor dispute have been displaced as a result of the project.

Inquiries shall be sent to the Executive Assistant of the State Workforce Development Board, Iowa Workforce Development, 1000 East Grand Avenue, Des Moines, Iowa 50319. A copy of the inquiry shall be sent to the department of corrections. The director of the department shall consult with the director of prison industries concerning the inquiry prior to the workforce development board's making a final recommendation regarding possible corrective action.

The state workforce development board shall review the inquiry and any additional responses or oral testimony requested by the board and make a recommendation as to whether the intent of Iowa Code section 904.809 has or has not been met and whether corrective action, if any, needs to be taken by the department of corrections to meet the intent. At the discretion of the board, oral presentations may be requested from the party(ies) to the inquiry. The board shall make a final recommendation within 60 days of receipt of the inquiry. The board's final recommendation shall be mailed to both the department of corrections and the party(ies) making the inquiry.

877—1.3(84A) Coordination with the department of corrections on construction and maintenance projects. To assist the department of corrections with the employment of offenders on construction and maintenance projects, the department of workforce development shall be responsible for coordinating the following process:

1.3(1) Prior to an employer's submitting an application to the department of corrections for employing offenders on a construction or maintenance project, the employer shall place with the nearest workforce development center a job order with a duration of at least 30 days. The job order shall be listed statewide in all centers and on the department of workforce development's jobs Internet site.

1.3(2) The department of corrections shall send a letter requesting verification of the employer's 30-day job listing, the average wage rate for the job(s) the offenders will perform, the current unemployment rate in the county where the employer is located, and the current employment level of the company that will employ the offenders. The letter should be sent to Division Administrator, Labor Market Information, Iowa Workforce Development, 1000 East Grand Avenue, Des Moines, Iowa 50319.

1.3(3) The department of workforce development shall verify in writing the job listing, including the number of qualified applicant referrals and hires made as a result of the job order, the average entry-level wage rate for the proposed job(s), the entry-level wage range, the prevailing wage as determined by the U.S. Department of Labor, the current unemployment rate for the county where the employer is located, and the current employment levels of the company that will employ the offenders based upon the most recent quarter for which data is available. The average entry-level wage rate and entry-level wage range will be based on the appropriate geographic area for which occupational wage information is available. The appropriate geographic area may be statewide.

1.3(4) If the contract to employ offender labor exceeds six months, the department of corrections shall request and receive from the department of workforce development the average wage rates and wage ranges for jobs currently held by offenders and current employment levels of companies employing offenders. The letter should be addressed to Division Administrator, Labor Market Information, Iowa Workforce Development, 1000 East Grand Avenue, Des Moines, Iowa 50319.

1.3(5) Inquiries concerning construction and maintenance projects performed by offenders may be made by area workers, or their representatives, that are affected by a project. Inquiries shall be in writing and address the following questions:

- a.* Whether and how the project is believed to violate the intent of Iowa Code sections 904.701 and 904.703;
- b.* Evidence of a local surplus of labor in the job classifications of the type in which offenders are employed;
- c.* Whether private sector employees or state, county or local government employees or employees involved in a labor dispute have been displaced as a result of the project; and
- d.* Whether existing contracts for employment or services have been impaired.

Inquiries shall be sent to Division Administrator, Labor Market Information, Iowa Workforce Development, 1000 East Grand Avenue, Des Moines, Iowa 50319. A copy of the inquiry shall be sent to the department of corrections. The director of the department shall consult with the director of the department of corrections and the affected regional advisory board concerning the inquiry prior to the workforce development board's making a final recommendation regarding possible corrective action.

The state workforce development board shall review the inquiry and any additional responses or oral testimony requested and make a recommendation as to whether the intent of Iowa Code sections 904.701 and 904.703 has or has not been met and whether corrective action, if any, needs to be taken by the department of corrections to meet the intent. At the discretion of the board, oral presentations may be requested from the party(ies) to the inquiry. The board shall make a final recommendation within 60 days of receipt of the inquiry. The board's final recommendation shall be mailed to both the department of corrections and the party(ies) making the inquiry.

These rules are intended to implement Iowa Code sections 84A.1A and 84A.1B.