Regulatory Analysis

Notice of Intended Action to be published: 871—Chapter 65
"Apprenticeship Training Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 84E
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 84D and 84E

Public Hearing

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

August 12, 2025 9 a.m.	Microsoft Teams Join the meeting now Meeting ID: 267 650 151 956 8 Passcode: oW2ab3Yr Dial in by phone +1 469.998.6043 Find a local number Phone conference ID: 423 072 455#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by Iowa Workforce Development (IWD) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

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Iowa Workforce Development
1000 East Grand Avenue
Des Moines, Iowa 50365
Phone: 515.802.9245
Email: brooke.axiotis@iwd.iowa.gov

Purpose and Summary

The purpose of these proposed rules is to clarify provisions regarding and to implement the Apprentice Training Program.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

- **Classes of persons that will bear the costs of the proposed rulemaking:**

Updating rules will not impact the funding positively or negatively.

- **Classes of persons that will benefit from the proposed rulemaking:**

Clarifying the rules will create more efficiencies for awardees.

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:**

This rulemaking has no quantitative impact.

- **Qualitative description of impact:**

This rulemaking has no qualitative impact.

3. **Costs to the State:**

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

There are costs to IWD to update the rules.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

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?

This rulemaking does not have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 871—Chapter 65 and adopt the following **new** chapter in lieu thereof:

CHAPTER 65
APPRENTICESHIP TRAINING PROGRAM

871—65.1(84E) Authority. The authority for adopting rules establishing an apprenticeship training program is provided in Iowa Code section 84A.5(5)*"l"* and chapter 84E.

871—65.2(84E) Purpose. The purpose of the apprenticeship training program is to assist eligible apprenticeship programs by providing financial assistance in the form of training grants.

871—65.3(84E) Definitions. The following definitions apply to this chapter. Additional definitions can be found in Iowa Code section 84E.2.

"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 who is registered in Iowa with the U.S. Department of Labor, Office of Apprenticeship, and the Iowa Office of Apprenticeship.

"Apprenticeable occupation" means an occupation approved for apprenticeship by the U.S. Department of Labor, Office of Apprenticeship, and the Iowa Office of Apprenticeship.

"Apprenticeship program" means a program registered with the U.S. Department of Labor, Office of Apprenticeship, and the Iowa Office of Apprenticeship that 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 that is registered with or approved by the U.S. Department of Labor, Office of Apprenticeship, and the Iowa Office of Apprenticeship.

"Department" means the department of workforce development created in Iowa Code section 84A.1 (Iowa workforce development).

"Program" means the apprenticeship training program established pursuant to this chapter.

"Total instructional hours" means the total instructional hours reported by an apprenticeship sponsor or lead apprenticeship sponsor. "Total instructional hours" does not mean the minimum federal standard for instructional hours.

"Training year" means the most recent calendar year.

871—65.4(84E) Annual appropriations—amount of assistance available—standard contract—use of funds.

65.4(1) The department will provide financial assistance under the program from moneys appropriated for purposes of the program pursuant to Iowa Code section 84G.3.

65.4(2) The department will disburse funds to an apprenticeship sponsor or lead apprenticeship sponsor only after approval of a completed application and execution of a contract between the apprenticeship sponsor or lead sponsor and the department. The department shall have sole discretion in determining whether an applicant has provided all necessary information as required under this chapter. The department will prepare a standard contract for the program to be executed by each eligible applicant. Each executed contract will provide for an amount of financial assistance in the form of a training grant as determined by Iowa Code section 84E.4(2). All changes or amendments to the standard contract shall be at the department's sole discretion. All such changes shall be consistent with the requirements of Iowa Code chapter 84E and of this chapter. The department will notify apprenticeship sponsors and lead apprenticeship sponsors by the end of a calendar year of any standard contract changes for the upcoming application period.

65.4(3) Financial assistance received by an apprenticeship sponsor or lead apprenticeship sponsor under this rule shall be used only for the cost of conducting and maintaining an apprenticeship program. The department may require an apprenticeship sponsor or lead apprenticeship sponsor to provide any information reasonably necessary to verify the use of program funds.

871—65.5(84E) Eligibility for assistance. An eligible apprenticeship sponsor or lead apprenticeship sponsor may apply to the department for assistance under the program. To be eligible, an applicant must meet all of the following requirements:

65.5(1) The applicant is an apprenticeship sponsor, or a lead apprenticeship sponsor, that conducts an apprenticeship program that is registered with the U.S. Department of Labor, Office of Apprenticeship, and the Iowa Office of Apprenticeship for apprentices who will be employed at worksites in Iowa.

65.5(2) The applicant conducts an apprenticeship program that includes a minimum of 100 contact hours per apprentice for each training year of the apprenticeship program.

65.5(3) The applicant provides all of the following information to the department:

a. The federal apprentice registration number of each apprentice in the apprenticeship program.

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

c. A certification of the apprenticeship sponsor's training standards as most recently approved by the U.S. Department of Labor, Office of Apprenticeship, and the Iowa Office of Apprenticeship, or, in the case of a lead apprenticeship sponsor, a representative sample of participating members' training standards.

d. A certification of the apprenticeship sponsor's compliance review or quality assessment as most recently conducted by the U.S. Department of Labor, Office of Apprenticeship, and the Iowa Office of Apprenticeship unless the apprenticeship sponsor has not been subjected to a compliance review or quality assessment. In the case of a lead apprenticeship sponsor, a sampling of compliance reviews or quality assessments from participating members will be sufficient.

e. Any other information the department reasonably determines is necessary.

65.5(4) The applicant shall apply on or before February 1 of each year in which funding is available. The application submitted by the applicant should reflect program information from the prior training year. Because all applications to the program must be received in order to determine the amount of financial assistance available pursuant to rule 871—65.4(84E), the department will not accept applications on a continuous basis.

65.5(5) An apprenticeship sponsor receiving financial assistance under Iowa Code chapter 84F is ineligible for financial assistance under this chapter during the same fiscal year.

871—65.6(84E) Application submittal and review process.

65.6(1) The department will develop a standardized application and make the application available to applicants. To apply for assistance under the program, an applicant shall submit an application to the department as instructed by the Notice of Funding Opportunity.

65.6(2) The director shall have final funding authority on applications for financial assistance under this program. Applications will be reviewed and processed for eligibility by the staff of the department. The director will approve, defer or deny applications consistent with the requirements of this chapter.

871—65.7(84E) Notice and reporting.

65.7(1) *Notice of award.* Program applicants will be notified in writing of the funding decision, including any conditions and terms of the approval as may be required under the program.

65.7(2) *Reporting.* An applicant receiving assistance under the program shall submit any information reasonably requested by the department in sufficient detail to permit the department to prepare any reports required by the department, the general assembly or the governor's office.

These rules are intended to implement Iowa Code chapter 84E.