Regulatory Analysis

Notice of Intended Action to be published: 871—Chapter 66
"Future Ready Iowa Registered Apprenticeship Development Fund"

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

Public Hearing

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

August 12, 2025 9:30 a.m.	Microsoft Teams Join the meeting now Meeting ID: 276 487 709 948 9 Passcode: kN6p2kU3 Dial in by phone +1 469.998.6043 Find a local number Phone conference ID: 310 304 405#

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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Des Moines, Iowa 50319
Phone: 515.802.9245
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Purpose and Summary

The purpose of these proposed rules is to clarify provisions of and implement the Future Ready Iowa Registered Apprenticeship Development Fund.

Analysis of Impact

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

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

Updating the 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 66 and adopt the following **new** chapter in lieu thereof:

CHAPTER 66
FUTURE READY IOWA REGISTERED APPRENTICESHIP DEVELOPMENT FUND

871—66.1(84F) Purpose. Pursuant to Iowa Code sections 84A.5 and 84F.1, the department is directed to establish a future ready Iowa registered apprenticeship development fund for the purpose of providing financial assistance to incentivize small and medium-sized apprenticeship sponsors to establish new or additional eligible apprenticeable occupations in the apprenticeship sponsor's apprenticeship program in order to support the growth of apprenticeship programs and expand high-quality work-based learning experiences in high-demand fields and careers for persons who are employed in eligible apprenticeable occupations in Iowa.

871—66.2(84F) Definitions. For purposes of this chapter, unless the context otherwise requires, the following definitions apply. More definitions can be found in Iowa Code section 84F.1.

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

"Director" means the director of the department of workforce development.

871—66.3(84F) Program description.

66.3(1) *Amount, form, and timing of assistance.*

a. The program provides financial assistance in the form of reimbursement grants to support the costs associated with establishing a registered apprenticeship program or adding additional apprenticeable occupations to an applicant's registered apprenticeship program.

b. The maximum grant per applicant per year shall not exceed 50 percent of the apprenticeable occupation budget. The maximum amount awarded to an applicant for any one application per fiscal year shall not exceed $25,000. The aggregate maximum amount that may be awarded to any one applicant per fiscal year for an aggregate number of applications shall not exceed $50,000.

c. The applicant will apply for grant funding based on activities during the calendar year prior to the application period.

66.3(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 department's Notice of Funding Opportunity.

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

66.3(3) *Funding.* If the amount of funding requested by eligible applicants exceeds the amount of funding available to the department in any given fiscal year, department staff will make recommendations to the director as to allocation of available funding. The department may deny applications for incompleteness or because of insufficient funds.

871—66.4(84F) Program eligibility, application scoring, and awards.

66.4(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 established a new eligible apprenticeable occupation or added an eligible apprenticeable occupation to the apprenticeship sponsor's existing apprenticeship program in the calendar year prior to the application period.

(2) Additional requirements as set out in Iowa Code section 84F.1(3)*"a"*(1) and *"a"*(2).

b. An apprenticeship sponsor receiving financial assistance under Iowa Code chapter 84E or section 84F.2 is ineligible for financial assistance under this chapter during the same fiscal year.

66.4(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 department 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)

66.4(3) *Financial assistance awards.* 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.

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

b. Form of financial assistance. The department 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.

c. Use of funds. An applicant shall use funds only for reimbursement of the costs directly related to the project. The department 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.

871—66.5(84F) Agreement required.

66.5(1) Each applicant that is approved for financial assistance under the program shall enter into an agreement with the department 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.

66.5(2) The department and the applicant may amend the agreement at any time upon the mutual agreement of both the department and the applicant.

66.5(3) The agreement may require an applicant that has been approved for financial assistance under the program to submit information reasonably required by the department to make reports to the governor's office or the general assembly.

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