

CHAPTER 20
ACCELERATED CAREER EDUCATION (ACE) PROGRAM

DIVISION I - GENERAL PROVISIONS

261—20.1(260G) Purpose. The ACE program has three parts: the capital costs component, the program job credits component, and the accelerated career education grants program. The Iowa department of economic development administers the first two components. The college student aid commission administers the career education grants portion of the ACE program as described in the commission's administrative rules. The goal of the ACE program is to provide an enhanced skilled workforce in Iowa.

261—20.2(260G) Definitions.

“Accelerated career education program” or *“ACE”* means the program established pursuant to Iowa Code chapter 260G.

“Agreement” means a program agreement referred to in Iowa Code section 260G.3 between an employer and a community college.

“Allotment” means the distribution of job credits based upon need as determined by the community colleges.

“Community college” means a community college established under Iowa Code chapter 260C or a consortium of two or more community colleges.

“Employee” means a person employed in a program job.

“Employer” means a business or consortium of businesses engaged in interstate or intrastate commerce for the purposes of manufacturing, processing or assembling products; construction; conducting research and development; or providing services in interstate or intrastate commerce, but excluding retail services.

“Highly skilled job” means a job with a broadly based, high-performance skill profile including advanced computation and communication skills, technology skills and workplace behavior skills, and for which an applied technical education is required.

“IDED” or *“department”* means the Iowa department of economic development.

“IDED board” means the Iowa economic development board authorized under Iowa Code section 15.103.

“Participant” means an individual who is enrolled in an accelerated career education program at a community college.

“Participant position” means the individual student enrollment position available in an accelerated career education program.

“Program capital cost” means classroom and laboratory renovation, new classroom and laboratory construction, site acquisition or preparation.

“Program job” means a highly skilled job available from an employer pursuant to a program agreement.

“Program job credit” means a credit that an employer may claim against all withholding taxes due in an amount up to 10 percent of the gross program job wage of a program job position as authorized in an agreement between a community college and an employer.

“Program job position” means a job position which is planned or available for an employee by the employer pursuant to a program agreement.

“Program operating costs” means all necessary and incidental costs of providing program services.

“Program services” means services that include all of the following provided they are pursuant to a program agreement: program needs assessment and development, job task analysis, curriculum development and revision, instruction, instructional materials and supplies, computer software and upgrades, instructional support, administrative and student services, related school to career training programs, skill or career interest assessment services and testing and contracted services.

“Vertical infrastructure” means land acquisition and construction, major renovation and major repair of buildings, all appurtenant structures, utilities, site development and recreation trails. Vertical

infrastructure does not include equipment; routine, recurring maintenance or operational expenses; or leasing of a building, appurtenant structure, or utility without a lease-purchase agreement.

261—20.3(260G) ACE program eligibility and designation.

20.3(1) In order to receive financial assistance under the capital projects program, tax credits from withholding under the program job credits component or financial assistance through the college student aid commission's accelerated career education grants program, a program must be designated by a community college as an eligible ACE program. All programs must demonstrate increased capacity to enroll additional students. To be eligible, a program must be either:

a. A credit career, vocational, or technical education program resulting in the conferring of a certificate, diploma, associate of science degree, or associate of applied science degree; or

b. A credit-equivalent career, vocational, or technical education program consisting of not less than 540 contact hours of classroom and laboratory instruction and resulting in the conferring of a certificate or other recognized, competency-based credential.

20.3(2) By resolution of a community college board of directors, an eligible program may be approved and designated as an ACE program. The respective community college board(s) of directors shall ensure compliance with Iowa Code chapter 260G. In designating ACE programs, the respective community college board(s) shall give priority to targeted industries as designated by the department.

20.3(3) A copy of the designated ACE program agreement shall be submitted to the department. The agreement shall state which of the three program components (capital projects, tax credits or education grants), or combination thereof, is included in the agreement. The department will maintain a record of all approved ACE programs.

20.3(4) The department will review ACE programs for issues of quality in accordance with rule 261—20.16(260G).

261—20.4(260G) Funding allocation.

20.4(1) *Base allocation.*

a. Funds for ACE program job credits and capital costs projects shall be allocated among the community colleges in the state for the fiscal years and in the amounts specified in Iowa Code chapter 260G and these rules.

b. Community colleges shall submit program agreements to access allotted funds. The program agreement shall document the findings of the community college that all ACE eligibility requirements have been met.

20.4(2) *Alternate allotment.* If a community college fails to commit any of its allotment by April 1 of the fiscal year, the funds for that community college will be allocated to other community colleges based upon need as described in these rules. Program job credits are considered to be committed if there is a signed program agreement in place or if there is a statement of intent in place that states that a signed program agreement will be in place by May 1 of the fiscal year.

261—20.5(260G) Eligible and ineligible business.

20.5(1) *Eligible business.* An eligible business is a business engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products; construction; conducting research and development; or providing services in interstate or intrastate commerce.

20.5(2) *Ineligible business.* A business engaged in retail services is ineligible to receive ACE program assistance.

261—20.6(260G) Program agreements.

20.6(1) Program agreements will be developed by an employer, a community college and any employee of an employer representing a program job. The development of the agreements may be facilitated by an entity representing a group of employers. Any community college that has an employer from its merged area involved in an ACE project must enter into the agreement. If a bargaining unit is in place with the employer pledging the jobs, a representative of the bargaining unit shall take part in the

development of the program agreement. All participating parties must sign the program agreement. The agreement must include employer certification of contributions that are made toward the program costs.

20.6(2) A program agreement shall include, at a minimum, the following terms: match provided by the employer; tuition, student fees, or special charges fixed by the community college board of directors; guarantee of employer payments; type and amount of funding sources that will be used to pay for program costs; description of program services and implementation schedule; the term of the agreement, not to exceed five years; the employer's agreement to interview graduates for full-time positions and provide hiring preference; for employers with more than four sponsored participants, certification that a job offer will be made to at least 25 percent of those participants that complete the program; an agreement by the employer to provide a wage level of no less than 200 percent of the federal poverty guideline for a family of two; a provision that the employer does not have to fulfill the job offer requirement if the employer experiences an economic downturn; a provision that the participants will agree to interview with the employer following completion of the program; and default procedures.

20.6(3) Projects that cross community college boundaries, or projects that involve employers from multiple community college areas, must be conducted pursuant to an agreement or agreements with each college.

261—20.7(260G) Administration. The department will administer the statewide allocations and will consult with representatives of the community colleges to promulgate necessary forms and collect necessary information. The department will monitor program agreements for the purposes of preparing a study of the needs and performance of approved programs for submission to the general assembly by the department by December 31, 2002. The department may deny the allocation of program job credits to any program which fails to comply with Iowa Code chapter 260G.

261—20.8(260G) Customer tracking system. Participants in the ACE program shall be included in the customer tracking system implemented by Iowa workforce development. In order to achieve this, social security numbers of all ACE program trainees will be required.

261—20.9(260G) Program costs recalculation. Program costs shall be calculated or recalculated on an annual basis based on the required program services for a specific number of participants. Agreement updates reflecting this recalculation must be submitted to IDED annually to review compliance with program parameters.

DIVISION II - CAPITAL COSTS COMPONENT

261—20.10(260G) Threshold requirements. To be considered for funding, the following threshold requirements shall be met:

1. The agreement must provide for pledged program positions paying at least 200 percent of the poverty level for a family of two. If the wage designated is to become effective after a training or probationary period, the employer must document that there is a plan in place regarding time frames for transition to the permanent full-time wage, and the employer must provide documentation that these time frames are reasonable and that the employer has previously adhered to the time schedule.

2. The agreement must demonstrate that the program meets the definition of an eligible ACE program.

3. The agreement must demonstrate that the project builds the capacity of the community college to train additional students for available jobs.

4. The agreement must establish a 20 percent employer cash or in-kind match for program operating funds.

5. The agreement shall describe how the project enhances geographic diversity of project offerings across the state.

6. The agreement must document that other private or public sources of funds are maximized prior to ACE program capital cost funding.

7. ACE program capital cost projects must enhance the geographic diversity of state investment in Iowa. The IDED board will continuously review projects to ensure that there is statewide impact. The IDED board will prioritize projects to ensure geographic diversity.

8. Funds shall be used only for ACE program capital costs for projects that meet the definition of vertical infrastructure. Building repair, renovation and construction for purposes of ACE program equipment installation shall be allowed.

261—20.11(260G) Application procedures.

20.11(1) Final application. Applicants shall submit a final agreement to IDED to request capital funds.

20.11(2) Staff review and recommendation. A committee of IDED staff will review and rate applications based upon the rating criteria stated in 261—20.12(260G). Based upon this review, a decision will be made regarding submittal of the application to the IDED board for action.

20.11(3) IDED board action. The IDED board will review ACE program capital costs projects meeting the requirements prescribed in these rules. A program agreement, which is approved by the community college board of directors, serves as the final application. Approval or denial of submitted applications that are complete and in final form shall be made no later than 60 days following receipt of the application by the department. Subsequent to board approval, an award letter will be sent. The award letter will be followed by a contract. After a signed contract is in place, funding for a project may be requested.

261—20.12(260G) Evaluation criteria for competitive awards—capital costs projects. Applications and accompanying program agreements meeting all ACE eligibility requirements will be prioritized and rated using the following point criteria:

1. The degree to which the applicant adequately demonstrates a lack of existing public or private infrastructure for development of the partnership. There must be a demonstration that the project will build capacity in order for the project to be considered. Capacity will be measured in terms of jobs that are pledged, students that are interested in the program area and the capacity that is built at the community college to undertake the programming. Up to 33 points will be awarded.

2. Demonstration that the jobs that would result from the partnership would include wages, benefits and other attributes that would improve the quality of employment within the region. Projects where the average wage for the pledged jobs exceeds the regional or county average wage, whichever is lower for the location where the training is to be provided, will be awarded points based upon the percentage that the average wage of the pledged jobs exceeds the applicable average wage. Up to 33 points will be awarded.

3. Evidence of local, public or private contributions that meet the requirements of Iowa Code Supplement chapter 260G as amended by 2000 Iowa Acts, chapter 1196. Projects will be rated based upon the percentage of match that is pledged to the ACE program capital cost for the project. Up to 34 points will be awarded.

Applications that do not receive at least 66 out of 100 points will not be forwarded to the IDED board for review. Projects will be competing against each other for IDED board approval, and the number of points that a project receives will be considered in the award process.

DIVISION III - PROGRAM JOB CREDITS

261—20.13(260G) Threshold requirements—program job credits. To be eligible to receive program job credits, the following threshold requirements shall be met:

1. The agreement must provide for pledged program positions paying at least 200 percent of the poverty level for a family of two. If the wage designated is to become effective after a training or probationary period, the employer must document that there is a plan in place regarding time frames

for transition to the permanent full-time wage, and the employer must provide documentation that these time frames are reasonable and that the employer has previously adhered to the time schedule.

2. The agreement must provide that the program meets the definition of an eligible ACE program.
3. The agreement must establish a 20 percent employer cash or in-kind match for program operating funds.
4. The agreement shall describe how the project enhances geographic diversity of project offerings across the state.
5. The executed agreement or a statement of intent must be submitted within the time periods described in these rules in order to establish a commitment of program job credits by the community college.

261—20.14(260G) Job credits allocation.

20.14(1) The department shall allot the total amount of program job credits authorized and available for the fiscal year to each community college based upon need ratios as follows:

Merged Area	Need Based Proportionate Allotment Minimum \$80,000 to Each Community College
I. Northeast Iowa Community College	4.63%
II. North Iowa Area Community College	4.63%
III. Iowa Lakes Community College	2.67%
IV. Northwest Iowa Community College	2.67%
V. Iowa Central Community College	4.64%
VI. Iowa Valley Community College District	4.38%
VII. Hawkeye Community College	6.62%
IX. Eastern Iowa Community College District	8.68%
X. Kirkwood Community College	17.00%
XI. Des Moines Area Community College	19.00%
XII. Western Iowa Tech Community College	5.13%
XIII. Iowa Western Community College	6.51%
XIV. Southwestern Community College	2.67%
XV. Indian Hills Community College	7.13%
XVI. Southeastern Community College	3.64%
	100.00%

20.14(2) For purposes of allotment, the foregoing ratios shall be applied to commitments made by community colleges pursuant to three cycle periods during the fiscal year, beginning on the following cycle dates: August 1, December 1, and May 1.

20.14(3) A commitment for a cycle period is established by filing a copy of an executed agreement or a statement of intent with the department not later than ten days prior to the next cycle date. Each community college may commit all or a portion of its proportionate allotment during each cycle period. Any amount uncommitted as of the cycle date shall be reported in the statement of intent and will carry over to the next cycle period and be reallocated by the department to the other community colleges based upon the same proportionate allotment ratios set out in subrule 20.14(1).

20.14(4) Notwithstanding subrule 20.14(3), it is recognized that 2000 Iowa Acts, chapter 1196, section 5, requires that any portion of an allocation to a community college uncommitted on April 1 of a fiscal year may be available for use by other community colleges. As of April 1, each college shall have either an agreement or a statement of intent indicating that the college will enter into an agreement by May 1 to retain the college's current fiscal year allotment. Any job credit allotments that do not have

accompanying agreements as of the May 1 cycle date will be available for proportional reallocation to other community colleges with signed agreements that have not received all of the tax credits that are needed under the agreement.

20.14(5) Beginning with the May 1 cycle, the department will accept program agreements or statements of intent for the first cycle of the following fiscal year's tax credit allotment. For the fiscal year beginning July 1, 2002, proportionate allocation ratios as described in subrule 20.14(1) will be reviewed and examined for possible modification based upon need in the respective merged areas throughout the state. Such review shall take place immediately following the August 1, 2001, cycle period allocation of credits.

20.14(6) The department shall calculate and report to each community college the number of job credits available for distribution each cycle period during the fiscal year based upon the proportionate allocation ratios set out in subrule 20.14(1) and subrule 20.14(4). Ratios in subrule 20.14(1) will be updated every two years beginning July 1, 2002.

20.14(7) So long as job credits are available for a cycle period, if an agreement provides for a two-year student program, the commitment shall be deemed to include the full amount of credits necessary to fund the entire two-year program and the duration of the agreement even though allocations for more than one fiscal year may be required.

20.14(8) Allocation credits, once received, may be retroactively applied to eligible programs during the fiscal year so long as the amount to be received does not exceed the proportionate allocation for each cycle period.

261—20.15(260G) Determination of job credits, notice, and certification.

20.15(1) *Determination of job credit amounts.* If a program provides that part of the program costs are to be met by receipt of program job credits, the method to be used shall be as follows:

a. Program job credits shall be based upon the program job positions identified and agreed to in the agreement. No costs incurred prior to the date of a program agreement between a college and an employer may be reimbursed or eligible for program job credits.

b. Eligibility for program job credits shall be based on certification of program job positions and program job wages by the employer at the time established in the agreement.

c. An amount up to 10 percent of the gross program job wages as certified by the employer in the agreement shall be credited from the total payment made by an employer pursuant to Iowa Code section 422.16.

d. The employer shall remit the amount of the credit quarterly, in the same manner as withholding payments are reported to the department of revenue, to the community college to be allocated to and, when collected, paid into a special fund of the community college to pay, in part, the program costs.

e. When the program costs have been paid, the employer credits shall cease and any moneys received after the program costs have been paid shall be remitted to the treasurer of state to be deposited in the general fund of the state.

20.15(2) *Notice to revenue department.* The employer shall certify to the department of revenue that the program job credit is in accordance with the agreement and shall provide other information the department may require.

20.15(3) *Certification of amount of job credits.* A community college shall certify to the department of revenue that the amount of the program job credits is in accordance with an agreement and shall provide other information the department may require.

261—20.16(260G) Evaluation criteria for quality assurance—program job credits.

20.16(1) Agreements submitted for funding shall be in draft form and shall include an evaluation summary to assist the department in gathering information for making study recommendations required by 2000 Iowa Acts, chapter 1196, section 5, and to provide program quality within each merged area program. Quality issues shall be reviewed and rated by the department based upon the following evaluation criteria within each merged area:

- a. Wage level assessment (1 to 5 points).
 - 1 point Statutory minimum wage level (see rule 261—20.13(260G), numbered paragraph “1”).
 - 2 points Statutory minimum plus additional \$2,500 per annum.
 - 3 points Above plus additional \$2,500 per annum.
 - 4 points Above plus additional \$2,500 per annum.
 - 5 points Above plus additional \$2,500 per annum.
- b. Skill profile (3 or 6 points).
 - 3 points Meets statutory definition of “highly skilled job” (see rule 261—20.2(260G)).
 - 6 points Above plus serves targeted industries as designated by the department (see subrule 20.3(2)).
- c. Educational profile (1 or 2 points).
 - 2 points Credit career, vocational or technical educational program (see paragraph 20.3(1) “a”).
 - 1 point Credit-equivalent career, vocational or technical educational program consisting of not less than 540 contact hours (see paragraph 20.3(1) “b”).
- d. Program job demand (0 or 3 points).
 - 3 points Program jobs are in demand within the merged area, region or company.
- e. Availability of program services (0 or 3 points).
 - 3 points Adequate resources and curriculum necessary to implement the program.
- f. Marketing plan (0 or 3 points).
 - 3 points Adequate marketing plan to recruit students for program jobs involving entities including but not limited to business, labor, and community college.
- g. Merged area stakeholders support (0 or 1 point).
 - 1 point Agreement demonstrates substantial area stakeholder support for the program via letters or other supporting information.
- h. Level of employer contributions (3 to 5 points).
 - 3 points Not less than 20 percent of program costs.
 - 4 points Not less than 22 percent of program costs.
 - 5 points Not less than 24 percent of program costs.

Agreements must receive a rating by the college and by the department of at least 18 points out of 28 total possible points to receive tax credits.

20.16(2) Each agreement will be submitted to the department in draft form at least 20 days before it is presented to the community college board for final approval. Within 20 days the department may approve without comment or append its statement of disapproval if it does not agree that the agreement merits at least 18 points out of 28 points.

261—20.17(260G) Committed funds. The department shall maintain an annual record of the proposed program job credits under each agreement for each cycle of each fiscal year. When the total available program job credits have been allocated for a fiscal year, the department shall inform all community colleges that the maximum amount has been allocated and that further program job credits will not be available for the remainder of the fiscal year. If any committed credits become uncommitted after the above-mentioned notice has been issued, the department will inform all community colleges that some job credits are again available and applications will be accepted for those job credits until they are again committed.

DIVISION IV - ACCELERATED CAREER EDUCATION GRANTS COMPONENT

261—20.18(260G) ACE program serving demand occupations. The college student aid commission administers the career education grants portion of the ACE program. The department will report to the college student aid commission those ACE programs which service demand occupations within targeted industries as designated by the department in consultation with the department of workforce development.

DIVISION V - WORKFORCE TRAINING AND ECONOMIC DEVELOPMENT PROGRAM OPERATING COSTS

261—20.19(81GA, HF868, HF809) Grow Iowa values fund assistance. Moneys allocated through the grow Iowa values fund to the workforce training and economic development funds to each community college for a fiscal year may be expended for the purposes allowed under Iowa Code section 260G.3, provided the use meets the requirements established under 261—Chapter 9. Moneys allocated under the workforce training and economic development fund are targeted primarily for use in projects in the areas of advanced manufacturing; information technology and insurance; and life sciences, which include the areas of biotechnology, health care technology, and nursing care technology.

20.19(1) Use of funds. Moneys from a workforce training and economic development fund created in Iowa Code section 260C.18A may be used for program operating costs of an approved 260G project. Such use may be authorized in an agreement between a community college and an employer. The amount of grow Iowa values funds available to any single 260G project shall be determined in the same manner as program job credits under subrule 20.15(1). Workforce training and economic development funds may be used in lieu of program job credits or in addition to program job credits.

20.19(2) Availability of workforce training and economic development funds. In order for a community college to utilize the funds afforded under the grow Iowa values fund for program operating costs of 260G projects, the college shall prepare and submit to the department a two-year implementation plan regarding the proposed uses of the grow Iowa values fund moneys. The plan shall be updated annually and submitted with a progress report to the department to be approved by the IDED board. This reporting requirement will be accomplished as described in 261—Chapter 9.

20.19(3) Awards in excess of \$1 million. Applications to be awarded from workforce training and economic development funds as appropriated from grow Iowa values fund moneys that are to exceed \$1 million require approval of the IDED board.

These rules are intended to implement Iowa Code chapter 260G and 2005 Iowa Acts, House File 868 and House File 809.

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