

CHAPTER 7
IOWA JOBS TRAINING PROGRAM
[Prior to 1/14/87 Iowa Development Commission(520), Ch 7]
[Prior to 7/8/92, see 261—Chs 6 and 7]

261—7.1(260F) Authority. The authority for establishing rules governing the development of training projects under the Iowa jobs training Act is provided in Iowa Code chapter 260F.

261—7.2(260F) Purpose. The purpose of the Act is to foster the growth and competitiveness of Iowa's workforce and industry by ensuring that Iowa's workforce has the skills and expertise to compete with any workforce outside the state of Iowa.

261—7.3(260F) Definitions.

“Act” means Iowa Code chapter 260F.

“Agreement” means the agreement between a business and a community college concerning a project.

“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 is registered with the United States Department of Labor, Bureau of Apprenticeship and Training.

“Apprenticeable occupation” means an occupation approved for apprenticeship by the United States Department of Labor, Bureau of Apprenticeship and Training.

“Apprenticeship program” means a program registered with the U.S. Bureau of Apprenticeship and Training which contains the 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 in whose name an apprenticeship program is being operated, registered or approved by the United States Department of Labor, Bureau of Apprenticeship and Training.

“Authority” means the economic development authority created in Iowa Code section 15.105.

“Business network” means five or more businesses which are located in two or more community college districts and which share a common training need. A business network training project must have a designated lead community college, business, or organization to serve as the administrative entity that will coordinate the training program.

“Certification” means the community college and business agree that the information contained in the application is accurate. The certification also gives the authority permission to research the history of the business and perform other related activities necessary for the evaluation of the application.

“Community college” means a community college established under Iowa Code chapter 260C.

“Community college consortium” means two or more businesses located in the same community college district which share a common training need.

“Date of commencement of the project” means the date of the preliminary agreement or the date an application for assistance is received by the authority.

“Eligible business” or *“business”* means a business training employees which is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, warehousing or wholesaling products, conducting research and development, or providing services in interstate commerce, but excludes retail, health, or professional services and which meets the other criteria established by the authority. A business engaged in the provision of services must have customers outside of Iowa to be eligible. The business site to receive training must be located in Iowa. “Eligible business” does not include a business whose training costs can be economically funded under Iowa Code chapter 260E, a business which closes or substantially reduces its workforce by more than 20 percent at existing operations in order to relocate substantially the same operation to another area of the state, or a business which is involved in a strike, lockout, or other labor dispute in Iowa. If a business closes or substantially reduces its workforce by more than 20 percent at existing operations

in order to relocate substantially the same operation to another area of the state, then the business is ineligible for 36 consecutive months at any of its Iowa sites from the date the new establishment opens.

“Employee” means a person currently employed by a business who is to be trained. An employee for whom training is planned must hold a current position intended by the employer to exist on an ongoing basis with no planned termination date. Training is available only to an employee who is hired by the business, is currently employed by the business, and for whom the business pays withholding tax. However, “employee” does not include a person with executive responsibilities, a replacement worker who is hired as a result of a strike, lockout, or other labor dispute in Iowa, or an employee hired as a temporary worker.

“High technology apprenticeship program” means a program that includes the definitions of apprenticeship program and high technology training.

“High technology training” means training that provides knowledge or skills that are clearly recognized throughout the industry as technologically up to date or advanced for a particular occupation.

“Jobs training program” or *“program”* means the project or projects established by a community college for the training of employees.

“Lead apprenticeship sponsor” means an apprenticeship sponsor that is the applicant for an apprenticeship project.

“Lead organization” means a trade organization, labor organization or other incorporated entity representing a group of businesses that is the applicant for a business network project.

“Participating business” means a business training employees which enters into an agreement with the community college.

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

“Program services” includes but is not limited to the following:

1. Training of employees;
2. Adult basic education and job-related instruction;
3. Career and technical skill-assessment services and testing;
4. Training facilities, equipment, materials, and supplies;
5. Administrative expenses for the jobs training program;
6. Subcontracted services with institutions governed by the state board of regents, private colleges or universities, or other federal, state, or local agencies;
7. Contracted or professional services;
8. Training-related travel and meals.

“Project” means a training arrangement which is the subject of an agreement entered into between a community college and an eligible business to provide program services. “Project” also means an authority-sponsored training arrangement which is sponsored by the authority and administered under Iowa Code sections 260F.6A and 260F.6B.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.4(260F) Program funding.

7.4(1) Program funds consist of any moneys allocated by the authority and the board for the purpose of this program, all repayments of loans or other awards or recaptures of awards, and earned interest, including interest earned on program funds held by the community colleges.

7.4(2) A community college 260F account is established in the authority. The allocation of funds in this account, to the community colleges, shall be determined using the distribution formula established in Iowa Code section 260C.18C.

7.4(3) Any unexpended or uncommitted funds remaining in the community college 260F account on May 1 of the fiscal year shall revert to a general account to be available on a first-come, first-served basis, based on the date an application is received by the authority.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.5(260F) Funding for projects which include one business.

7.5(1) The maximum award which may be approved for each project at a business site is \$50,000 in a fiscal year.

7.5(2) A business site may be approved for multiple projects, but the total of the awards for two or more projects shall not exceed \$100,000 within a three-year period. The three-year period shall begin with the authority approval date of the first project approved within the three-year period.

7.5(3) Awards shall be made in the form of forgivable loans.

7.5(4) Financial assistance awarded to a project must be based on the actual cost of allowable services as identified in 261—7.9(260F).

7.5(5) Funds requested must be commensurate with training needs. Program funds shall not be used to cash flow a business.

7.5(6) Community colleges shall issue the proceeds of an award to a business on a reimbursement basis or directly pay for training expenses from the college-administered separate program account.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.6(260F) Funding for projects which include multiple businesses.

7.6(1) A community college consortium of two or more businesses as defined in 261—7.3(260F) is eligible for a maximum award of \$50,000 per training project.

7.6(2) A community college-sponsored business network training project as defined in 261—7.3(260F) is eligible for a maximum project award of \$50,000 from each of the participating community colleges.

7.6(3) Authority-sponsored business network training projects as defined in 261—7.3(260F) are not subject to a funding maximum.

7.6(4) Participation in a community college consortium or business network does not affect a business site's financial eligibility for individual project assistance.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.7(260F) Funding for high technology apprenticeship programs.

7.7(1) A community college high technology apprenticeship program as defined in 261—7.3(260F) may be funded at the discretion of each specific community college at an amount up to, but not exceeding, the specific community college's apprenticeship distribution for the year.

7.7(2) Authority-sponsored high technology apprenticeship programs as defined in 261—7.3(260F) are not subject to a funding maximum.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.8(260F) Matching funds requirement.

7.8(1) An apprenticeship sponsor, business, community college consortium, or business network shall provide matching funds in order to be eligible for a program award.

7.8(2) An apprenticeship sponsor, business, community college consortium, or business network requesting a program award of less than \$5,000 shall provide in-kind matching funds.

7.8(3) An apprenticeship sponsor, business, community college consortium, or business network requesting a program award of \$5,000 or more shall provide cash to pay at least 25 percent of the total project cost, including training and administration costs.

7.8(4) In-kind matching funds include employee wages paid by the business during the training period, the value of business-provided facilities and equipment used for training, or the value of any other resources provided by the business or apprenticeship sponsor to facilitate the training program.

261—7.9(260F) Use of program funds.

7.9(1) The following costs associated with the administration of any project are eligible for program funding:

a. Community college administrative costs associated with the development and operation of a project, not to exceed 15 percent of the project cost.

b. Legal fees.

7.9(2) The costs associated with the provision of program services for any project are eligible for program funding.

7.9(3) Reimbursement of employee wages while the employee is in training is not allowed.

7.9(4) Production equipment, when used for training, may be an allowable cost. The cost of equipment used in training but subsequently used in production shall be prorated, as identified in 261—8.12(15), with the percentage of “used in production” cost paid by the business.

7.9(5) A community college may use funds awarded to a project to cover reasonable administrative costs and legal fees for that project.

7.9(6) A community college may not use funds from one project’s program award to cover any costs incurred by another project.

[ARC 3383C, IAB 10/11/17, effective 11/15/17; ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.10(260F) Use of 260F earned interest.

7.10(1) The community college is authorized to use interest earned on program funds to pay administrative costs incurred as a result of administering the program. Administrative costs include all costs incurred from the time the application process commences minus any costs covered by application fees paid by applicants.

7.10(2) Earned interest which has not been spent by the end of any state fiscal year shall be refunded to the authority within ten days of the end of the state fiscal year. The community college may designate and carry forward specified interest funds, as permitted by these rules, for identified payments which will occur during the next state fiscal year.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.11(260F) Application fee. Rescinded ARC 3463C, IAB 11/22/17, effective 12/27/17.

261—7.12(260F) Separate account. The community college shall establish a separate program account to document all program transactions and from which repayments for loans shall be made to the authority.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.13(260F) Eligible business. Rescinded ARC 3463C, IAB 11/22/17, effective 12/27/17.

261—7.14(260F) Ineligible business. Rescinded ARC 3463C, IAB 11/22/17, effective 12/27/17.

261—7.15(260F) Eligible employee. Rescinded ARC 3463C, IAB 11/22/17, effective 12/27/17.

261—7.16(260F) Ineligible employee. Rescinded ARC 3463C, IAB 11/22/17, effective 12/27/17.

261—7.17(260F) Entrepreneurial training. Rescinded ARC 3463C, IAB 11/22/17, effective 12/27/17.

261—7.18(260F) Letter of intent.

7.18(1) A letter of intent allows training to start on a specific date.

7.18(2) A community college and a business or apprenticeship sponsor may, but are not required to, enter into a letter of intent.

7.18(3) A community college and a business which enter into a letter of intent shall use Letter of Intent, Form 260F-2. A college and an apprenticeship sponsor which enter into a letter of intent shall use Apprenticeship Letter of Intent, Form 260F-2A.

7.18(4) A letter of intent shall remain in effect for a maximum of one calendar year from the date of the letter. A letter of intent for one project does not establish the commencement date for subsequent projects.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.19(260F) Project commencement date. The earliest date on which program funds may be used to pay training expenses incurred by the project is the effective date of the agreement of intent or the date the application is received by the authority, whichever is first.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.20(260F) Application process.

7.20(1) An application for training assistance must be submitted to the authority by a community college on behalf of a business or apprenticeship sponsor. An application shall not be accepted by the authority if submitted directly by a business.

7.20(2) Community colleges shall use Application for Assistance, available in the 260F data system, to apply for 260F business assistance. Apprenticeship Application for Assistance, Form 260F-1D, shall be used for apprenticeship assistance.

7.20(3) Required contents of the application will be described in the application package.

7.20(4) Applications must be submitted via the 260F data system to the authority.

7.20(5) The authority will score applications according to the criteria specified in 261—7.21(260F).

7.20(6) To be funded, an application must receive a minimum score of 65 out of a possible 100 points and meet all other eligibility criteria specified elsewhere in these rules.

7.20(7) The authority may approve, reject, or defer an application.

7.20(8) The authority reserves the right to require additional information from the business or apprenticeship sponsor.

7.20(9) Application approval shall be contingent on the availability of funds. The authority shall reject or defer an application if funds are not available.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.21(260F) Application scoring criteria.

7.21(1) The criteria used for scoring 260F business or consortium applications and the points for each criteria are as follows:

- a. The business has a plan for future potential growth and product diversification. 10 points.
- b. The majority of the business's employees are permanent full-time. 10 points.
- c. Average wages for employees are at or above the laborshed wages for the business's location. 10 points.
- d. The business provides a cash match greater than 25 percent (minimum). 10 points.
- e. The application explains why the business needs the training identified in the training plan. 10 points.
- f. The application explains how the training will contribute to the continued existence of the business. 10 points.
- g. The application identifies which skills the employees will acquire from the training and how the skills will increase the employees' marketability. 5 points.
- h. The average cost of training per employee is comparable to the cost of training at Iowa community colleges or universities. 5 points.
- i. The application documents that all considerations, including funding required to begin the training project, have been addressed. 5 points.
- j. The employer provides health insurance and at least one other employee benefit. 5 points.
- k. Employee skills, knowledge, and abilities will be improved as a result of this training. 10 points.
- l. The business's competitive stance will be improved as a result of this training. 10 points.

To be funded, applications must receive a minimum score of 65 out of 100 points and meet all other applicable eligibility criteria.

7.21(2) The criteria used for scoring an authority-sponsored business network or community college business consortium or community college-sponsored business network application, and the points for each criterion are as follows:

- a. The training will have a positive impact on the skills, knowledge and abilities of trainees, 29 points.
- b. The training will help improve the competitive stance of participating businesses or the industry for which training is being provided, 28 points.
- c. The training will result in economic benefits for the state, 28 points.

d. The average of the average wage rates for the businesses participating in the project is above the state average wage rate, which will be computed using the current county average wage rates, 10 points.

e. The project cost of training per employee does not exceed comparable costs for training at a state of Iowa community college or university, 5 points.

To be funded, applications must receive a minimum score of 65 out of 100 points and meet all other applicable eligibility criteria. Authority-sponsored business network applications which receive a minimum score of 65 out of 100 points will be referred to the authority board for approval.

7.21(3) The criteria used for scoring a community college-sponsored high technology apprenticeship or an authority-sponsored high technology apprenticeship application and the points for each criterion are as follows:

a. The application represents high technology area training, 20 points.

b. The application shall identify the occupation or occupations for which training will be provided from the list of occupations in the Iowa workforce development annual wage survey. The most recent Iowa workforce development Iowa statewide wage survey average wage rate for the occupation(s) as identified shall be compared to the lowest of the average wage rate for the county or region where the training is to be provided. Ten points will be awarded if the wage rate for the occupation(s) exceeds the lowest of the average wage rates for the county or region. If the program will be providing training for more than one occupation or be conducted in more than one location, the points shall be awarded on a prorated basis by occupation and location. “Region” is the service delivery area as defined in Iowa Code section 84B.2.

c. New skills which employees acquire from the training program will increase the marketability of successful program participants, 20 points.

d. The application has established the need for training, 20 points.

e. The cost of training per trainee does not exceed comparable costs for training at a state of Iowa community college or university, 5 points.

f. The application documents that all considerations, including funding required to begin the training project, have been addressed, 10 points.

g. The application establishes a positive impact on the state’s workforce competitiveness, 15 points.

To be funded, applications must receive a minimum score of 65 out of 100 points and meet all other applicable eligibility criteria. Authority-sponsored high technology apprenticeship applications which receive a minimum score of 65 out of 100 points will be referred to the authority board for approval.

7.21(4) Rescinded IAB 11/22/17, effective 12/27/17.
[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.22(260F) Training agreement.

7.22(1) A community college shall enter into a training agreement with the business(es), lead business, lead organization, apprenticeship sponsor(s), or lead apprenticeship sponsor within 90 days of written notice of application approval from the authority, using Training Agreement, Form 260F-4, for 260F business-driven projects and using Form 260F-4D for apprenticeship projects.

7.22(2) A business or apprenticeship sponsor shall not modify any provision of the agreement without the written approval of the community college.

7.22(3) The community college, with the written consent of the business or apprenticeship sponsor, has the authority to modify all provisions of the agreement except for 260F business, business network and consortium project modifications which result in a reduction of the number of employees to be trained or which significantly change the training program.

7.22(4) The community college and the business or apprenticeship sponsor are authorized to change the ending date of training, training provider, or other minor modifications to the training program. All modifications must be uploaded to the 260F data system prior to the ending date of training. If the modification authorizes a change of the ending date of training, the modification must be uploaded to the 260F data system prior to the original ending date of training. For example, if a training agreement

specifies an ending date of training of December 31, 2018, and a community college and business agree to extend the ending date of training to December 31, 2019, then the modification must be uploaded prior to December 31, 2018.

7.22(5) Modifications of 260F business, business network and consortium projects which result in a reduction of the number of employees to be trained or change the training program content must be approved by the authority, community college, and business.

7.22(6) The agreement shall not be modified in any way that would result in a violation of Iowa Code chapter 260F.

7.22(7) Lead businesses, lead apprenticeship sponsors and lead organizations that choose to be the only signatory on the training contract for an authority-sponsored business network, community college-sponsored business network, authority-sponsored apprenticeship or community college-sponsored apprenticeship project shall be responsible for all default and reporting requirements on behalf of the other businesses or apprenticeship sponsors participating in the project.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.23(260F) Special requirements for community college consortium projects.

7.23(1) The community college shall submit Consortium Application for Assistance, available on the 260F data system, to the authority for project approval.

7.23(2) The community college shall enter into a training agreement with the consortium within 90 days of written notice of application approval from the authority, using Consortium Training Agreement, Form 260F-4A.

7.23(3) All default provisions specified in 261—7.30(260F) shall apply to consortium projects.

7.23(4) In the event of a default, a financial penalty will be assigned by the authority to the consortium business or businesses identified by the community college as being responsible for the default.

7.23(5) Each business that participates in the consortium shall complete a Final Performance Report, Form 260F-5, at the completion of training as a condition of the loan's being forgiven.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.24(260F) Special requirements for community college-sponsored business network projects. The community colleges and the authority are authorized to fund business network training projects which include five or more businesses and are located in two or more community college districts. A business network training project must have a designated organization or lead business to serve as the administrative entity that will coordinate the training program. The businesses must have common training needs and develop a plan to meet those needs.

7.24(1) A business network must have a designated community college to serve as the project coordinator.

7.24(2) The designated community college shall serve as the network's representative and shall serve as the authority's contact regarding all project matters.

7.24(3) The participating community colleges shall select one college as the project's designated organization and representative.

7.24(4) Business Network Application for Assistance, Form 260F-1B, shall be signed by each participating community college and shall be submitted by the designated community college to the authority for project approval.

7.24(5) The designated community college shall enter into a training contract with the business network within 90 days of written notice of application approval from the authority, using Business Network Training Contract, Form 260F-4B.

7.24(6) All authority communications concerning a business network project, including notice of project approval or denial and issuance of financial awards, shall be with the designated community college.

7.24(7) All default provisions specified in 261—7.30(260F) shall apply to college-sponsored business network training projects.

7.24(8) In the event of a default, a financial penalty will be assigned by the authority to the network business or businesses identified by the designated community college as being responsible for the default.

7.24(9) Each business that participates in the network shall complete a Final Performance Report, Form 260F-5, at the completion of training as a condition of the loan's being forgiven.

7.24(10) In the case of business network training assistance, the authority shall make a good faith effort to determine the probability that the proposed project will cause the displacement of employees of existing Iowa businesses. Any business network training project which would have the effect of displacing employees of existing Iowa end-product manufacturers shall not be approved.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.25(260F) Special requirements for authority-sponsored business network projects.

7.25(1) Eligible applicants include a group of businesses who will be the beneficiaries of the proposed training program, a trade association, a labor organization, or other incorporated entity representing a group of businesses.

7.25(2) Each project shall designate a lead organization or business which shall serve as the project's representative.

7.25(3) An individual project may not be funded for more than three fiscal years.

7.25(4) Administrative costs shall be limited to 15 percent of the total project cost.

7.25(5) All administrative costs must be directly related to the project's operation, including but not limited to the costs of schedule coordination, securing facilities, and contracting with training providers.

7.25(6) The lead organization or business shall submit Business Network Application for Assistance, Form 260F-1C, to the authority for project approval.

7.25(7) Applications shall be accepted on a first-come, first-served basis.

7.25(8) Application review shall be based on the positive impact that training will have on the skills, knowledge, and abilities of employees, improved competitive stance of the participating businesses, and economic benefits gained by the state.

7.25(9) Application approval is at the discretion of the authority board and shall consider recommendations made by authority staff.

7.25(10) The authority shall enter into a training contract with the business network within 90 days of written notice of application approval from the authority, using Business Network Training Contract, Form 260F-4C.

7.25(11) All default provisions specified in 261—7.30(260F) shall apply to college-sponsored business network training projects.

7.25(12) In the event of a default, a financial penalty will be assigned by the authority to the business or businesses identified responsible for the default.

7.25(13) The lead business or organization shall submit quarterly progress reports for the duration of the project which detail training progress to date.

7.25(14) Each business that participates in the business network shall complete a Final Performance Report, Form 260F-5, at the completion of training as a condition of the loan's being forgiven.

7.25(15) Each project shall receive a two-month advance of total project funds to cover initial costs incurred, the use of which must be documented to the authority, after which documented costs incurred will be reimbursed on a monthly basis.

7.25(16) In the case of business network training assistance, which takes the form of supplier network training as defined in 261—7.3(260F), the authority shall make a good faith effort to determine the probability that the proposed project will cause the displacement of employees of existing Iowa businesses. Any business network training project which takes the form of supplier network training and would have the effect of displacing employees of existing Iowa end-product manufacturers shall not be approved.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.26(260F) Special requirements for community college-sponsored high technology apprenticeship projects. The community colleges and the authority are authorized to fund high

technology apprenticeship programs which comply with the requirements specified in Iowa Code section 260C.44 and which may include both new and statewide apprenticeship programs. Notwithstanding the provisions of Iowa Code section 260F.6(2), relating to maximum award amounts, moneys allocated to the community colleges with high technology apprenticeship programs shall be distributed to the community colleges based upon contact hours under the programs administered during the prior fiscal year as determined by the department of education.

7.26(1) An apprenticeship sponsor must have a designated community college to serve as the project coordinator.

7.26(2) The designated community college shall serve as the apprenticeship sponsor's representative and shall serve as the authority's contact regarding all project matters.

7.26(3) If more than one community college is involved in the project, the participating community colleges shall designate one college as the project's representative.

7.26(4) Apprenticeship Application for Assistance, Form 260F-1D, shall be signed by the community college or, in the case of a multicollege project, by each participating community college and shall be submitted by the community college to the authority for project approval.

7.26(5) The community college shall enter into a training contract with the apprenticeship sponsor within 90 days of written notice of application approval from the authority, using Apprenticeship Training Contract, Form 260F-4D.

7.26(6) All authority communications concerning an apprenticeship project, including notice of project approval or denial and issuance of financial awards, shall be with the community college.

7.26(7) All default provisions specified in 261—7.30(260F) shall apply to college-sponsored apprenticeship training projects.

7.26(8) In the event of a default, a financial penalty will be assigned by the authority to the apprenticeship sponsor identified by the designated community college as being responsible for the default.

7.26(9) Each apprenticeship sponsor that participates in the project shall complete a Final Performance Report, Form 260F-5A, at the completion of training as a condition of the loan's being forgiven.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.27(260F) Special requirements for authority-sponsored high technology apprenticeship projects.

7.27(1) Eligible applicants include any organization that is approved by the U.S. Department of Labor, Bureau of Apprenticeship and Training to provide an apprenticeship program. This group shall be referred to as an apprenticeship sponsor.

7.27(2) Administrative costs shall be limited to 15 percent of the total project cost.

7.27(3) All administrative costs must be directly related to the project's operation, including but not limited to the costs of schedule coordination, securing facilities, and contracting with training providers.

7.27(4) The apprenticeship sponsor shall submit an Apprenticeship Application for Assistance, Form 260F-1E, to the authority for project approval.

7.27(5) Applications shall be accepted on a first-come, first-served basis.

7.27(6) Application approval is at the discretion of the authority board and shall consider recommendations made by authority staff.

7.27(7) The authority shall enter into a training contract with the apprenticeship sponsor within 90 days of board approval, using Apprenticeship Training Contract, Form 260F-4E.

7.27(8) All default provisions specified in 261—7.30(260F) shall apply to college-sponsored apprenticeship training projects.

7.27(9) In the event of a default, a financial penalty will be assigned by the authority to the business or apprenticeship sponsor identified as responsible for the default.

7.27(10) The apprenticeship sponsor shall submit quarterly progress reports for the duration of the project which detail training progress to date.

7.27(11) Each apprenticeship sponsor that participates in the high technology apprenticeship program shall complete a Final Performance Report, Form 260F-5A, at the completion of training as a condition of the loan's being forgiven.

7.27(12) Each project shall receive a two-month advance of total project funds to cover initial costs incurred, the use of which must be documented to the authority, after which documented costs incurred will be reimbursed on a monthly basis.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.28(81GA, HF868, HF809) Special requirements for job retention program projects. Rescinded ARC 3463C, IAB 11/22/17, effective 12/27/17.

261—7.29(81GA, HF868, HF809) Special requirements for projects funded through the grow Iowa values fund. Rescinded ARC 3463C, IAB 11/22/17, effective 12/27/17.

261—7.30(260F) Events of default.

7.30(1) A business or apprenticeship sponsor fails to complete the training project within the agreed period of time as specified in the training agreement. Such business or apprenticeship sponsor shall be required to repay 20 percent of total project funds expended by the community college and the business.

7.30(2) A business or apprenticeship sponsor fails to train the agreed number of employees as specified in the training agreement. Such business or apprenticeship sponsor shall be required to repay a proportionate amount of total project funds expended by the community college and the business or apprenticeship sponsor. The proportion shall be based on the number of employees not trained compared to the number of employees to have been trained.

7.30(3) If both 7.30(1) and 7.30(2) occur, both penalties shall apply.

7.30(4) A business or apprenticeship sponsor fails to comply with any requirements contained in the training agreement. The business or apprenticeship sponsor shall be sent written notice by the community college which specifies the issue(s) of noncompliance and shall be allowed 20 days from the date notice is sent to effect a cure. If noncompliance is of such a nature that a cure cannot be reasonably accomplished within 20 days, the community college has the discretion to extend the period of cure to a maximum of 60 days.

7.30(5) A business or apprenticeship sponsor ceases or announces the cessation of operations at the project site prior to completion of the training program.

7.30(6) A business or apprenticeship sponsor directly or indirectly makes any false or misleading representations or warranties in the program application or training agreement, reports, or any other documents which are provided to the community college or the authority.

7.30(7) A business or apprenticeship sponsor acts in any manner contrary to, or fails to act in accordance with, any provision of the training contract.

7.30(8) A business takes corporate action to effect any of the preceding conditions of default.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.31(260F) Options and procedures on default.

7.31(1) The community college shall notify the authority whenever the community college determines that an event of default has occurred or is likely to occur.

7.31(2) The community college shall document its efforts to reconcile the condition(s) responsible for the default and shall provide the authority with copies of all related correspondence and documents of the community college and the business or apprenticeship sponsor.

7.31(3) The community college shall notify the authority when it has determined that an event of default cannot be cured.

7.31(4) When notice of failure to cure the default is received from the community college, the authority shall communicate with the business or apprenticeship sponsor, in writing, in an attempt to resolve the default.

7.31(5) When the authority's efforts to reconcile are successful, the authority shall notify the community college, in writing, to continue project operations. Continuation of project operations may be subject to new conditions imposed by the authority as part of the reconciliation.

7.31(6) When the authority's efforts to reconcile are unsuccessful and upon the authority's request, the community college shall assign the agreement to the authority for appropriate proceedings at which time the authority shall institute collection procedures or notify the attorney general to initiate appropriate legal actions.

7.31(7) When a community college assigns an agreement to the authority for a project declared to be in default, the community college shall return all remaining 260F funds to the authority within 45 days of assignment.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.32(260F) Remedies upon default.

7.32(1) When a community college determines that a business or apprenticeship sponsor is in default, and the default has not been cured within the time period stated in the contract, the community college is authorized to withhold training funds and payments to the business or apprenticeship sponsor, without notice to the business or apprenticeship sponsor.

7.32(2) The attorney general may take whatever action at law or in equity as necessary and desirable to satisfy the default.

7.32(3) No demand of amount due, from the community college to the business or apprenticeship sponsor, written or otherwise, is required to establish the business's or apprenticeship sponsor's financial liability.

7.32(4) No remedy conferred upon or reserved to the community college, the authority, or the attorney general by the Act, these rules, or the training agreement is intended to be exclusive of any other current or future remedies existing in law, in equity, or by statute.

7.32(5) Any delay or omission by the community college, the authority, or the attorney general, to exercise any right or power prescribed by the Act, these rules, or the training agreement does not relinquish or diminish authority to act and does not constitute a waiver of default status. Any such right or power may be exercised at any time required and as often as may be deemed expedient.

7.32(6) Unless required by these rules, neither the community college, authority, nor attorney general is required to provide written or other notice to the business or apprenticeship sponsor regarding any circumstance related to and including a declaration of an event of default.

7.32(7) In the event any requirement of the Act, these rules, or the training agreement, relating to a default, should be breached by either party and then waived by the other party, such waiver shall be limited to the specific breach being waived and shall have no bearing on any subsequent breach.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.33(260F) Return of unused funds. The community college shall return all unused funds to the authority within 45 days of project completion or within 45 days after being notified by the authority that a project is in default.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.34(260F) Open records. Information submitted to the authority is subject to Iowa Code chapter 22, the public records law. Applications for training funds submitted to the authority are available for public examination. If a business provides information which the business believes contains trade secrets recognized and protected as such by law, or the release of which would give an advantage to competitors and serves no public purpose or which meets other provisions for confidential treatment as authorized in Iowa Code section 22.7, and establishes that such information is subject to confidential treatment under Iowa Code section 22.7 or as otherwise provided for by law, then such information shall be kept confidential. Rule 261—195.5(17A,22) describes how a person may request a record to be treated as confidential and withheld from public examination. Businesses requesting confidential

treatment of certain information submitted to the authority shall follow the procedures described in rule 261—195.5(17A,22). The authority will process such requests as outlined in rule 261—195.5(17A,22). [ARC 3463C, IAB 11/22/17, effective 12/27/17]

261—7.35(260F) Required forms. The community college is required to complete and upload the following forms, as applicable, within the 260F data system:

1. General Application for Assistance, Form 260F-1;
2. Consortium Application for Assistance, Form 260F-1A;
3. Business Network Application for Assistance (Community College), Form 260F-1B;
4. Business Network Application for Assistance (Authority), Form 260F-1C;
5. Apprenticeship Application for Assistance (Community College), Form 260F-1D;
6. Apprenticeship Application for Assistance (Authority), Form 260F-1E;
7. Letter of Intent, Form 260F-2;
8. Apprenticeship Letter of Intent, Form 260F-2A;
9. Request for Release of Funds, Form 260F-3;
10. Training Agreement, Form 260F-4;
11. Consortium Training Agreement, Form 260F-4A;
12. Business Network Training Agreement (Community College), Form 260F-4B;
13. Apprenticeship Training Agreement (Community College), Form 260F-4D;
14. Business Network Training Agreement (Authority), Form 260F-4C;
15. Apprenticeship Training Agreement (Authority), Form 260F-4E;
16. Performance Report, Form 260F-5;
17. Notice of Possible Default, Form 260F-6;
18. Declaration of Default, Form 260F-7;
19. College and Business Certification, 260F-8;
20. Environmental Quality Form, to include a Solid Waste Plan and Hazardous Waste Plan (if applicable), Form 260F-9.

[ARC 3463C, IAB 11/22/17, effective 12/27/17]

These rules are intended to implement Iowa Code chapter 260F.

[Filed emergency 7/26/85—published 8/14/85, effective 7/26/85]

[Filed emergency 12/19/86—published 1/14/87, effective 12/19/86]

[Filed 9/30/88, Notice 7/27/88—published 10/19/88, effective 11/23/88]

[Filed 11/22/89, Notice 10/18/89—published 12/13/89, effective 1/17/90]

[Filed 11/20/90, Notice 9/5/90—published 12/12/90, effective 1/16/91]

[Filed 12/21/90, Notice 10/17/90—published 1/9/91, effective 2/13/91]

[Filed emergency 6/21/91 after Notice 4/17/91—published 7/10/91, effective 6/21/91]

[Filed emergency 6/19/92—published 7/8/92, effective 7/1/92]

[Filed 9/23/92, Notice 7/8/92—published 10/14/92, effective 11/18/92]

[Filed 1/24/96, Notice 12/6/95—published 2/14/96, effective 3/20/96]

[Filed emergency 6/28/96—published 7/17/96, effective 7/1/96]

[Filed 9/20/96, Notice 7/17/96—published 10/9/96, effective 11/13/96]

[Filed emergency 10/23/97 after Notice 9/10/97—published 11/19/97, effective 10/24/97]

[Filed emergency 10/22/01 after Notice 9/5/01—published 11/14/01, effective 10/22/01]

[Filed emergency 11/20/03 after Notice 9/17/03—published 12/24/03, effective 11/20/03]

[Filed emergency 7/7/05—published 8/3/05, effective 7/7/05]

[Filed 10/21/05, Notice 8/3/05—published 11/9/05, effective 12/14/05]

[Filed ARC 3383C (Notice ARC 2995C, IAB 3/29/17), IAB 10/11/17, effective 11/15/17]

[Filed ARC 3463C (Notice ARC 3268C, IAB 8/30/17), IAB 11/22/17, effective 12/27/17]