

CHAPTER 23  
INNOVATIVE BUSINESSES INTERNSHIP PROGRAM

[Prior to 11/1/23, see Economic Development Authority[261] Ch 104]

**877—23.1(15) Authority.** The authority for adopting rules establishing an innovative businesses internship program is provided in Iowa Code section 15.411(4).

[ARC 8848B, IAB 6/16/10, effective 5/20/10; ARC 9063B, IAB 9/8/10, effective 10/13/10; ARC 0611C, IAB 2/20/13, effective 3/27/13; Editorial change: IAC Supplement 11/1/23]

**877—23.2(15) Purpose.** The purpose of the innovative businesses internship program is to link Iowa students to internship opportunities with innovative small and medium-sized firms and to help such students convert their internships into employment opportunities.

[ARC 8848B, IAB 6/16/10, effective 5/20/10; ARC 9063B, IAB 9/8/10, effective 10/13/10; ARC 0611C, IAB 2/20/13, effective 3/27/13; Editorial change: IAC Supplement 11/1/23]

**877—23.3(15) Definitions.**

“*Authority*” means Iowa workforce development created in Iowa Code section 84A.1.

“*Board*” means the members of the economic development authority appointed by the governor and in whom the powers of the authority are vested pursuant to Iowa Code section 15.105.

“*Committee*” means the technology commercialization committee established by the board pursuant to 261—Chapter 1.

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

“*Director*” means the director of Iowa workforce development.

“*Innovative business*” means the same as defined in Iowa Code section 15E.52(1) “c.”

“*Internship*” means temporary employment of a student that focuses on providing the student with work experience in the student’s field of study.

“*Program*” means the innovative businesses internship program established in this chapter.

“*Prospective employee*” means a student who is anticipated to be hired upon graduation.

“*Student*” means a student of one of the Iowa community colleges, private colleges, or institutions of higher learning under the control of the state board of regents or a student who graduated from high school in Iowa but attends an institution of higher learning outside the state of Iowa.

[ARC 8848B, IAB 6/16/10, effective 5/20/10; ARC 9063B, IAB 9/8/10, effective 10/13/10; ARC 9754B, IAB 9/21/11, effective 10/26/11; ARC 0611C, IAB 2/20/13, effective 3/27/13; Editorial change: IAC Supplement 11/1/23]

**877—23.4(15) Program funding.**

**23.4(1)** The maximum award shall not exceed \$3,100 for any single internship or \$9,300 for any single business.

**23.4(2)** Funds shall only be used for reimbursement of wages during the designated internship period. Students hired as interns shall be paid at least twice the minimum wage.

**23.4(3)** The authority shall issue funds to a business based upon authority approval of a completed application and the execution of a contract between the business and the authority.

**23.4(4)** A business may receive financial assistance on a matching basis for a portion of the wages paid to an intern. If providing financial assistance, the authority shall provide the assistance on a reimbursement basis such that for every two dollars of wages earned by the student, one dollar paid by the business is matched by one dollar from the authority.

[ARC 8848B, IAB 6/16/10, effective 5/20/10; ARC 9063B, IAB 9/8/10, effective 10/13/10; ARC 9754B, IAB 9/21/11, effective 10/26/11; ARC 2099C, IAB 8/19/15, effective 7/20/15; ARC 2316C, IAB 12/23/15, effective 1/27/16; Editorial change: IAC Supplement 11/1/23]

**877—23.5(15) Eligible business.** Eligible businesses may apply to the authority for assistance under the program. The program is available to Iowa businesses that meet all of the following criteria:

**23.5(1)** The business must be an Iowa-based business with fewer than 500 employees, with a significant portion employed within the state of Iowa.

**23.5(2)** The business must be engaged in an innovative business.

**23.5(3)** The business must offer the internship to students of Iowa community colleges, private colleges, or institutions of higher learning under the control of the state board of regents or to students who graduated from high school in Iowa but attend an institution of higher learning outside the state of Iowa.

**23.5(4)** The business's summer internships must last a minimum of 8 weeks (averaging no less than 30 hours per week), and the business's semester internships must last a minimum of 14 weeks (averaging no less than 10 hours per week).

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**877—23.6(15) Ineligible business.** The following businesses are not eligible for this program:

**23.6(1)** A business which is engaged in retail sales or which provides health services is ineligible.

**23.6(2)** A business which closes or substantially reduces its workforce by more than 20 percent at existing operations in order to relocate substantially the same operations to another area of the state is ineligible for 36 consecutive months at any of its Iowa sites from the date the new establishment opens.

[ARC 8848B, IAB 6/16/10, effective 5/20/10; ARC 9063B, IAB 9/8/10, effective 10/13/10; Editorial change: IAC Supplement 11/1/23]

**877—23.7(15) Eligible students.** Students must be within one to two years of graduation and enrolled at one of Iowa's community colleges, private colleges, or institutions of higher learning under the control of the state board of regents. A student as defined in this chapter is eligible for an internship under this rule. The authority shall encourage youth who reside in economically distressed areas, youth adjudicated to have committed a delinquent act, and youth transitioning out of foster care to participate in the program.

[ARC 8848B, IAB 6/16/10, effective 5/20/10; ARC 9063B, IAB 9/8/10, effective 10/13/10; ARC 9754B, IAB 9/21/11, effective 10/26/11; ARC 0611C, IAB 2/20/13, effective 3/27/13; Editorial change: IAC Supplement 11/1/23]

**877—23.8(15) Ineligible students.** Students who are more than two years from graduation are ineligible. Students who are immediate family members of management employees or board members of the applicant business are ineligible. Students who do not otherwise meet the eligibility requirements described in rule 261—104.7(15) are not eligible.

[ARC 8848B, IAB 6/16/10, effective 5/20/10; ARC 9063B, IAB 9/8/10, effective 10/13/10; Editorial change: IAC Supplement 11/1/23]

**877—23.9(15) Application submittal and review process.**

**23.9(1)** The authority shall develop a standardized application and make the application available to eligible businesses. To apply for assistance under the program, a business shall submit an application to the authority. Applications may be sent to Iowa Workforce Development, 1000 East Grand Avenue, Des Moines, Iowa 50319. Required forms and instructions are available by contacting the authority at that address or from the authority's website at [www.iowaworkforcedevelopment.gov](http://www.iowaworkforcedevelopment.gov).

**23.9(2)** The application will be reviewed and scored by authority staff. The director of the authority will make final funding decisions after considering the recommendations of staff. The director has final decision-making authority on requests for financial assistance for this program. The director may approve, defer or deny an application.

[ARC 8848B, IAB 6/16/10, effective 5/20/10; ARC 9063B, IAB 9/8/10, effective 10/13/10; ARC 9754B, IAB 9/21/11, effective 10/26/11; ARC 0611C, IAB 2/20/13, effective 3/27/13; ARC 2099C, IAB 8/19/15, effective 7/20/15; ARC 2316C, IAB 12/23/15, effective 1/27/16; Editorial change: IAC Supplement 11/1/23]

**877—23.10(15) Application content and other requirements.**

**23.10(1)** A business seeking assistance under the program must complete an application for internship assistance and submit it to the authority. Successful applicants must enter into a contract with the authority prior to posting or advertising the internship.

**23.10(2)** If an award is made, the business shall secure an intern within the time period stated in the contract between the authority and the business.

**23.10(3)** The application shall include, but not be limited to, all of the following:

a. The dates and location of the internship.

b. A statement of duties the intern will be performing at the business site. The intern is to be involved in a substantive experience in one or more of the following areas: research and development;

engineering; process management and production; product experimentation and analysis; product development; market research; business planning and administration. The application shall also include information regarding the intern's work space (i.e., access to telephone, computer, and other necessary items).

c. The name of the business's representative who will train and supervise the intern.

d. A statement of the anticipated workforce needs at the business, which shall include an explanation of the current workforce shortage and identify the intern's potential for prospective employment with the business following graduation.

**23.10(4)** The authority reserves the right to require additional information from the business.

[ARC 8848B, IAB 6/16/10, effective 5/20/10; ARC 9063B, IAB 9/8/10, effective 10/13/10; ARC 9754B, IAB 9/21/11, effective 10/26/11; ARC 0611C, IAB 2/20/13, effective 3/27/13; Editorial change: IAC Supplement 11/1/23]

**877—23.11(15) Selection process.** Applications will be reviewed in the order received by the authority. The director may approve, defer or deny each application for financial assistance, based on the availability of funds. The authority will score applications according to the criteria specified in rule 261—104.12(15). To be considered 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.

[ARC 8848B, IAB 6/16/10, effective 5/20/10; ARC 9063B, IAB 9/8/10, effective 10/13/10; ARC 9754B, IAB 9/21/11, effective 10/26/11; ARC 2099C, IAB 8/19/15, effective 7/20/15; ARC 2316C, IAB 12/23/15, effective 1/27/16; Editorial change: IAC Supplement 11/1/23]

**877—23.12(15) Application scoring criteria.** When applications for financial assistance are reviewed, the following criteria shall be considered:

**23.12(1)** The intern is involved in a substantive experience in one or more of the following areas: research and development; engineering; process management and production; product experimentation and analysis; product development; market research; business planning and administration. 25 points.

**23.12(2)** The explanation of the business's anticipated workforce needs and of the intern's potential for prospective employment with the business following graduation. 20 points.

**23.12(3)** The extent to which the internship duties require independent judgment, creativity, and intelligence to complete and contribute to the business's goals or processes. 10 points.

**23.12(4)** The internship will have a positive impact on the intern's skills, knowledge and abilities. 15 points.

**23.12(5)** The internship pays more than twice the minimum wage. 10 points.

**23.12(6)** The business's contribution to the internship program is above the minimum program match requirement. 10 points.

**23.12(7)** Intern applications will be accepted from more than one private college, university or community college. 5 points.

**23.12(8)** The application documents that all considerations, including funding required to begin the internship, have been addressed. 5 points.

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**877—23.13(15) Contract and reporting.**

**23.13(1) Notice of award.** Successful applicants will be notified in writing of an award of assistance, including any conditions and terms of the approval.

**23.13(2) Contract required.** The authority shall prepare a contract, which includes, but is not limited to, a description of the internship to be completed; conditions to disbursement; required reports; and the repayment requirements imposed in the event the business does not fulfill its obligations described in the contract and other specific repayment provisions ("clawback" provisions) to be established on an individual basis.

**23.13(3) Reporting.** A business which has been awarded assistance under the program shall submit any information requested by the authority in sufficient detail to permit the authority to prepare any reports required by the authority, the board, the general assembly or the governor's office.

**23.13(4) Contract amendments.** The board does not need to approve a contract amendment. The director may approve contract amendments consistent with 2011 Iowa Acts, House File 590, section 9. [ARC 8848B, IAB 6/16/10, effective 5/20/10; ARC 9063B, IAB 9/8/10, effective 10/13/10; ARC 9754B, IAB 9/21/11, effective 10/26/11; ARC 0611C, IAB 2/20/13, effective 3/27/13; Editorial change: IAC Supplement 11/1/23]

These rules are intended to implement Iowa Code section 15.411(4).

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