

CHAPTER 9  
WORKFORCE TRAINING AND ECONOMIC DEVELOPMENT FUNDS

**261—9.1(15G,260C) Purpose.** The purpose of the workforce training and economic development funds is to provide revenue for each community college to address the workforce development needs of the state with the primary focus of providing training and retraining of Iowa workers to develop the skills of employees employed in targeted industries or to address a workforce development need of a targeted industry. Moneys are appropriated for each community college fund from the grow Iowa values fund.

**261—9.2(15G,260C) Definitions.**

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

“*Department*” or “*IDED*” means the Iowa department of economic development created in Iowa Code chapter 15.

“*Fund*” or “*funds*” means the workforce training and economic development funds created by Iowa Code section 260C.18A and allocated to each community college.

“*GIVF*” or “*grow Iowa values fund*” means moneys appropriated to the grow Iowa values fund established by Iowa Code section 15G.111.

“*Iowa economic development board*” or “*IDED board*” means the Iowa economic development board established in Iowa Code section 15.103.

“*Project*” means a training or educational activity funded with grow Iowa values funds.

**261—9.3(15G,260C) Funds allocation.** The department shall allocate moneys, appropriated by the general assembly or other moneys accepted by the department, for the workforce training and economic development fund established for each community college by utilizing the most current distribution formula that is used for the allocation of state general aid to the community colleges available on July 1 of the fiscal year for which funds are being allocated. Each community college shall establish a workforce training and economic development fund account within its college accounting system into which the department shall make deposits of the allocated moneys. The deposits shall be made quarterly or on a more frequent basis. Moneys that are not used and that remain in a community college’s fund at the end of a fiscal year shall remain available to that college for expenditure in subsequent fiscal years.

**261—9.4(15G,260C) Community college workforce and economic development plan and progress report.** For the fiscal year beginning July 1, 2003, each community college, prior to receiving its allocation, shall adopt and submit to the department with a copy filed with the IDED board a two-year workforce training and economic development plan that outlines the community college’s proposed use of the grow Iowa values fund moneys allocated to the community college. For the fiscal year beginning July 1, 2004, and each fiscal year thereafter, each community college, to receive its allocation for the forthcoming fiscal year, shall prepare and submit to the department for the IDED board the following items for the fiscal year:

**9.4(1) Two-year workforce training and economic development fund plan.** Each college shall adopt a two-year workforce training and economic development fund plan that outlines the community college’s proposed use of the grow Iowa values fund moneys appropriated to its fund. Plans shall be based on fiscal years and must be submitted to the department by August 15 for the current fiscal year allocation.

**9.4(2) Plan updates.** Plans shall be updated annually outlining proposed uses for the next two fiscal years, and must be submitted to the department by August 15 for the current fiscal year allocation.

**9.4(3) Progress reports.**

*a.* Each college shall prepare an annual progress report on the two-year plan’s implementation. This progress report shall address the following goals established by the general assembly for the GIVF:

- (1) Expanding and stimulating the state’s economy;
- (2) Increasing the wealth of Iowans; and
- (3) Increasing the population of the state.

b. The report shall be submitted in a manner and form as prescribed by IDED and shall meet the requirements of rule 261—9.8(15G,260C).

c. Each college shall annually submit the two-year plan and progress report to the department in a manner prescribed by these rules, and annually file a copy of the plan and progress report with the IDED board. Plans and progress reports shall be submitted to IDED by August 15. For the fiscal year beginning July 1, 2004, and each fiscal year thereafter, a community college shall not have moneys deposited in the workforce training and economic development fund of that community college unless the IDED board has approved the annual progress report of the community college.

**261—9.5(15G,260C) Use of funds.** Moneys deposited into each community college fund shall be used for the following purposes, provided that 70 percent of the moneys be used on projects in the areas of advanced manufacturing; information technology and insurance; alternative and renewable energy including the alternative and renewable energy sectors listed in Iowa Code section 476.42, subsection 1, paragraph “a”; and life sciences, which include the areas of biotechnology, health care technology, and nursing care technology:

**9.5(1)** Projects in which an agreement between a community college and an employer located within the community college’s merged area meets all of the requirements of the accelerated career education (ACE) program pursuant to Iowa Code chapter 260G and IDED rules for the ACE program, 261—Chapter 20.

**9.5(2)** Projects in which an agreement between a community college and a business meets all the requirements of the Iowa jobs training Act under Iowa Code chapter 260F and IDED’s administrative rules in 261—Chapter 7.

**9.5(3)** For the development and implementation of career academies designed to provide new career preparation opportunities for high school students that are formally linked with postsecondary career and technical education programs. “Career academy” means a program of study that combines a minimum of two years of secondary education with an associate degree in a career preparatory program. A diploma or certificate may be provided as options within the associate degree program. The career academy is a program of study that is nonduplicative, sequential, and ensures that the course of study is skill standards-based, integrates academic and technical instruction, utilizes work-based and work site learning where appropriate and available, utilizes an individual career planning process with parent involvement, and prepares an individual for entry and advancement in a high-skill and rewarding career field as specified in 2003 Iowa Acts, First Extraordinary Session, chapter 2, section 76. A career academy may include articulation of the community college associate degree to a baccalaureate degree. “Nonduplicative” means that the postsecondary component of the career academy is not currently offered at a participating secondary school. This definition is set forth in rule 281—47.1(260C) adopted by the Iowa department of education.

**9.5(4)** Programs and courses that provide career and technical training and programs for in-service training and retraining under Iowa Code section 260C.1, subsections 2 and 3. As it pertains to Iowa Code section 260C.1, subsection 2, career and technical training shall mean new or expanded career and technical coursework that has Iowa department of education approval and that results in the conferring of a diploma, degree, or certificate. The enhancement of academic core courses within the career and technical program is also eligible. As it pertains to Iowa Code section 260C.1, subsection 3, eligible activities shall be short-term training and retraining projects.

**9.5(5)** Job retention program projects as authorized by Iowa Code section 260F.9 and IDED administrative rules in 261—Chapter 7.

**9.5(6)** The portion of annual funds allocated pursuant to 2007 Iowa Acts, House File 927, shall be used for the development and expansion of energy industry areas and for the department’s North American Industry Classification System (NAICS) for targeted industry areas established pursuant to Iowa Code section 260C.18A.

[ARC 3383C, IAB 10/11/17, effective 11/15/17]

**261—9.6(15G,260C) Approval of projects.** Activity within each fund will be reviewed by the department to aid in ensuring that the college's fund is meeting the requirement that 70 percent of the moneys allocated to the community college fund shall be used for projects in the areas of advanced manufacturing; information technology and insurance; alternative and renewable energy including the alternative and renewable energy sectors listed in Iowa Code section 476.42, subsection 1, paragraph "a"; and life sciences, which include the areas of biotechnology, health care technology, and nursing care technology. Any individual project using over \$1 million of moneys from a workforce training and economic development fund shall require prior approval from the IDED board. The following procedures apply for approval of activities to be assisted by the grow Iowa values fund:

**9.6(1)** Projects which meet all of the requirements of the Iowa jobs training Act under Iowa Code chapter 260F will be reviewed and approved by the department under the applicable scoring criteria as found in 261—Chapter 7, Iowa Jobs Training Program.

**9.6(2)** Projects which meet all of the requirements of the accelerated career education (ACE) program pursuant to Iowa Code chapter 260G will be reviewed and approved by the department under the applicable scoring criteria as found in 261—Chapter 20, Accelerated Career Education (ACE) Program.

**9.6(3)** For career academies, projects shall meet the requirements of career academies as defined in subrule 9.5(3).

**9.6(4)** Career and technical training programs shall meet the requirements of new or expanded career and technical training.

**9.6(5)** In-service training and retraining projects shall meet the requirements for short-term training and retraining.

**9.6(6)** Community colleges may use moneys from the fund for operational expenses associated with career and technical training.

[ARC 3383C, IAB 10/11/17, effective 11/15/17]

**261—9.7(15G,260C) Community college workforce and economic development plan.** A community college shall adopt a plan describing how the college proposes to use moneys allocated from the grow Iowa values fund for the forthcoming two years. For the fiscal year beginning July 1, 2003, the plan shall be submitted to the department with a copy filed with the IDED board prior to the community college's receiving its allocation. For the fiscal year beginning July 1, 2004, and each fiscal year thereafter, the plan shall be submitted to the department and a copy filed with the IDED board prior to the beginning of the first fiscal year that is included in the plan. The plan shall include, at a minimum:

**9.7(1)** How the allocation will be distributed for the allowable uses of ACE, Iowa jobs training program, career academies, career and technical training programs, and in-service training and retraining projects;

**9.7(2)** The proposed amount of funds for use 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;

**9.7(3)** Under each proposed use, to what specific uses the funds would be directed;

**9.7(4)** The number of businesses proposed to be served or industry's training needs to be met by proposed distribution of funds;

**9.7(5)** The number of students or individuals proposed to be served;

**9.7(6)** Private investment, actual or proposed, that a business has incurred or will incur that creates the need for training;

**9.7(7)** Documentation, as necessary, to verify the above-listed factors.

[ARC 3383C, IAB 10/11/17, effective 11/15/17]

**261—9.8(15G,260C) Reporting.**

**9.8(1)** Each community college that receives an allocation of moneys under rule 261—9.4(15G,260C) shall submit to the IDED board by August 15 of each year an annual written report regarding the accomplishments of the projects funded through the workforce training and economic development fund for the fiscal year, in a manner and form prescribed by the department. The

report shall provide information regarding how projects aided by the community college's workforce training and economic development fund are meeting the goals of the grow Iowa values fund and have resulted in an increase in the number of higher education graduates.

**9.8(2)** The report shall include, but not be limited to, report forms as provided under each of the programs and the following additional reports:

*a.* For 260F projects, the college shall provide documentation of the state's return on investment for projects funded by grow Iowa values moneys. Such measures may include:

(1) Quantification of, as a result of the training assistance provided, annual monetary cost savings or sales increases attributed by the business; and

(2) The increase in wage or salary for individuals trained as a result of the projects using Iowa values funds for individual projects.

*b.* For the job retention program, the college shall provide documentation of the state's return on investment for projects funded by grow Iowa values fund moneys. Such measures may include:

(1) Quantification of, as a result of the training assistance provided, annual monetary cost savings or sales increases attributed by the business;

(2) The increase in wage or salary for individuals trained as a result of the projects using Iowa values funds for individual projects;

(3) Documentation of capital investment that creates the need for training activities funded through the grow Iowa values fund;

(4) Payroll for facility affected and documentation of the number of employees and wages paid.

*c.* For 260G projects:

(1) Increase in number of individuals enrolled in 260G programs;

(2) The number of graduates;

(3) Number of job placements of students who complete programs;

(4) Number of job placements in Iowa;

(5) Number of job placements with participating companies.

*d.* For projects funded under Iowa Code section 260C.1, subsections 2 and 3:

(1) Increase in number of individuals enrolled in programs;

(2) The number of graduates;

(3) Number of job placements of students who complete programs;

(4) Increase in student retention in programs at the postsecondary level.

*e.* For career academies projects:

(1) Increase in number of individuals enrolled in programs;

(2) The number of graduates;

(3) Number of job placements in Iowa for students completing programs, if applicable;

(4) Increase in student retention in programs at the postsecondary level;

(5) Reduction in the number of students needing remediation at the postsecondary level.

**9.8(3)** By January 15 of each year, the department shall submit a written report to the general assembly and the governor regarding the activities funded by the job retention program during the previous calendar year.

#### **261—9.9(15G,260C) Annual progress report approval.**

**9.9(1)** For the fiscal year beginning July 1, 2004, and each fiscal year thereafter, a community college shall not have moneys deposited in the workforce training and economic development fund of that community college unless the IDED board approves the annual progress report of the community college.

**9.9(2)** The board may reject a progress report for the following reasons, including but not limited to:

*a.* Information or data is incomplete;

*b.* Report does not address how grow Iowa values fund goals have been met;

*c.* Fund is determined not to meet the goals established under the grow Iowa values fund;

*d.* Use of funds fails to meet the college's two-year plan;

*e.* Seventy percent of the fund is not used for projects in the areas of advanced manufacturing; information technology and insurance; alternative and renewable energy including the alternative and

renewable energy sectors listed in Iowa Code section 476.42, subsection 1, paragraph “a”; and life sciences which include the areas of biotechnology, health care technology, and nursing care technology;

*f.* Funds allocated pursuant to 2007 Iowa Acts, House File 927, are not used for the development and expansion of energy industry areas and for the department’s North American Industry Classification System (NAICS) for targeted industry areas established pursuant to Iowa Code section 260C.18A.

**261—9.10(15G,260C) Options upon default or noncompliance.**

**9.10(1)** Should the board not accept a college’s annual progress report, the college shall be subject to the following actions as prescribed by the IDED board based upon the severity of the noncompliance or default, including but not limited to:

*a.* Repayment of funds deemed ineligible or deemed not to meet the purposes of the grow Iowa values fund;

*b.* Withholding of a portion of new fiscal year moneys based upon amounts awarded deemed to be ineligible;

*c.* Tighter oversight and control of the college’s fund by the department;

*d.* Loss of funds for one year;

*e.* Other action as deemed appropriate by the board.

**9.10(2)** Compliance with applicable labor laws. Recipients shall operate all projects in compliance with state and federal health, safety, equal opportunity, and other applicable labor laws.

These rules are intended to implement Iowa Code sections 15G.111 and 260C.18A and 2007 Iowa Acts, House File 927.

[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 8/16/07, Notice 7/4/07—published 9/12/07, effective 10/17/07]

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