201—37.4(904) Private sector employment projects.

37.4(1) *Definitions.*

"Deputy director of prison industries" means the department of corrections deputy director responsible for the day-to-day operations of prison industries, including private sector individuals.

"Director" means the same as defined in Iowa Code section 904.101(5).

"Wage range" means the same as described in Iowa Code section 904.809(1)*"c."*

"Workforce development board" means the board created in Iowa Code section 84A.1A.

"Workforce development director" means the same as described in Iowa Code section 84A.1(2).

37.4(2) *Employer application.* Private sector employers requesting offender labor will submit an application to the deputy director of prison industries or designee. Required application information will be provided in accordance with Iowa state industries policies and procedures.

a. Upon receiving an application to use offenders in a private sector work program, the deputy director of prison industries or designee will provide a copy of the private sector work proposal, including job descriptions and proposed wages to the workforce development division administrator.

b. The deputy director of prison industries or designee will send a letter to the department of workforce development requesting the average wage rate for the job(s) the offenders will perform, the current unemployment rate in the county where the work is being performed, and the current employment level of the company that will employ the offenders.

c. The deputy director of prison industries or designee and the warden at the proposed institution will review the proposed projects with the board of supervisors and the sheriff in the county where the project will be located.

37.4(3) *Verification.* Upon written request from the deputy director of prison industries or designee, the workforce development division administrator shall verify the employment levels and prevailing wages paid for similar jobs in the area and provide to the deputy director of prison industries or designee, in writing:

a. The average wage rate for the proposed job(s);

b. The wage range;

c. The current unemployment rate for the county where the work is being performed; and

d. The current employment levels of the company that will employ the offenders based upon the most recent quarter for which data is available.

37.4(4) *Prevailing wages.* The deputy director of prison industries or designee will obtain employment levels in the locale of the proposed job(s) and the prevailing wages for the job(s) in question from the department of workforce development prior to authorizing any private sector work program. The deputy director of prison industries or designee will consider the average wage rate and wage range from the department of workforce development for the appropriate geographic area for which occupational wage information is available. The appropriate geographic area may be statewide. To reduce possible displacement of civilian workers, the deputy director of prison industries shall advise prospective employers and eligible offenders of the following requirements:

a. Offenders shall not be eligible for unemployment compensation while incarcerated.

b. Before the employer initiates work utilizing offender labor, the deputy director of prison industries or designee will provide the baseline number of jobs as established by the department of workforce development.

c. Annually, the deputy director of prison industries or designee will request from the department of workforce development the actual number of civilian workers by employer and will compile a side-by-side comparison of each employer.

37.4(5) *Ineligible projects.* The deputy director of prison industries or designee will evaluate the information from the department of workforce development to verify nondisplacement of civilian workers consistent with Iowa Code section 904.809(1)*"d."*

37.4(6) *Notification and review.*

a. The deputy director of prison industries or designee will provide a copy of the private sector work proposal and the department of workforce development review of the private sector work proposal to the following:

(1) Warden at the proposed work site;
(2) Local labor organization(s); and
(3) Department of Justice, Washington, D.C.

b. Within 14 calendar days of receiving the department of workforce development review, the deputy director of prison industries or designee will consolidate the recommendations for review and approval by the director of corrections.

37.4(7) *Disputes.*

a. Anyone who believes that the private sector work program violates this rule shall advise the department of workforce development. A written complaint may be filed in accordance with rule 877—1.2(84A). The workforce development director shall consult with the deputy director of prison industries before the workforce development board makes a final recommendation(s) to resolve any complaint.

b. The deputy director of prison industries will assist the department of workforce development in compiling all information necessary to resolve the dispute. The workforce development board shall notify the deputy director of prison industries and interested parties in writing of the recommended action to resolve a complaint, which will be binding on all parties.

This rule is intended to implement Iowa Code section 904.809.

[**ARC 0790D**, IAB 11/25/26, effective 12/30/26]