871—62.3(15,260E) Definitions.

"Act" means Iowa Code chapter 260E.

"Agreement" means an agreement between an employer and a community college concerning a project and includes any written agreement, or amendment thereto, whether deemed by the parties to be preliminary or final.

"Base year" means, for the purpose of determining incremental property tax available to fund in part the jobs training agreement, the assessment rolls as of January 1 of the year preceding the first written agreement filed with the county assessor where the property is located or such other valuation as may be determined by the appropriate assessor as provided in Iowa Code section 403.19(1)*"c."*

"Department" means Iowa workforce development.

"Eligible training" means a structured process of instruction designed to develop technical and specialized skills required to perform job-specific tasks effectively. This includes activities such as courses, labs, simulations, and hands-on exercises either on the job or in a classroom or field environment; training of measurable skills that are often certifiable such as painting, welding, mechanics, computer coding and heavy machinery operation; mastery of skills leading to certifications or credentials necessary to perform work in a workplace context but excludes those leading directly to professional degrees in medicine, law, accounting, or other professional areas. Training may also include skills related to diagnostic techniques and operational proficiency. The training must be specific to the new jobs being added according to the contract.

"Expanding industry" means an industry that will require the addition of new jobs that did not exist in that industry in Iowa prior to the signing of an agreement for training and that exceeds the level of employment in that industry six months prior to the date of the agreement.

"Formerly existing jobs" means jobs that were part of the payroll of the industry within the state any of the time during the six months prior to the signing of an agreement for training. Jobs that formerly existed do not qualify for training under the provisions of Iowa Code section 260E.2(15).

"Industry" means a business engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products; conducting research and development; or providing services in interstate commerce but excludes retail, health, or professional services. An industry is a business engaged in activities described as eligible in the Act rather than the generic definition encompassing all businesses in the state doing the same activities. An industry is considered to be a single corporate entity or operating subdivision. An industry that closes or substantially reduces its operation in one area of the state of Iowa and relocates substantially the same operation in another area of the state is not eligible for a project. This definition does not prohibit a business from expanding its operations in another area of the state provided that existing operations of a similar nature are not closed or substantially reduced.

"New industry" means an industry that has not done business in Iowa or an existing industry implementing a new process and product used or produced for the first time in Iowa that results in the creation of new jobs not previously available in that industry in the state.

"New job" means a new, permanent, full-time equivalent position added to an employer's payroll, at the location of the employer's project, in excess of the employer's base employment level as determined by the average number of employees report in the previous two quarters. A new job does not include jobs of recalled workers, replacement jobs or other jobs that formerly existed in the business in the state of Iowa. It does not include a job in an industry with a material violation of state or federal labor laws or involved in a lockout or strike in Iowa. It does not include the upskilling of current employees. A new job does not include reclassified jobs or new ownership of existing operations that use the existing employees to perform primarily the same functions or producing the same product line they performed prior to the sale of the business. Employers must provide proof of the change in role or production upon sale of the business in order for employees to be classified as "new jobs" after the sale of the business. The change in responsibilities and functions must be immediate and occur no later than jobs that are performing primarily the same functions or producing the same product line.

"New jobs training program" or *"program"* means the project or projects established by a community college for the creation of jobs by providing education and training of workers for new jobs for new or

expanding industry in the merged area served by the community college. The proceeds of the certificates, as authorized by the Act, will be used only to fund program services related to training programs made necessary by the creation of new jobs.

"Program costs" are defined as the total cost of the training project outlined in the final agreement. The business is required to pay for 30 percent of the total program costs before receiving reimbursements or on-the-job training funds from the program fund established by the community college for the project. Businesses must submit receipts or appropriate documentation to establish the expenditures to the community college, which will bundle receipts and certify the 30 percent expenditure to the department for approval. After the department has reviewed and approved the 30 percent expenditure threshold has been met, the program funds may be released. The business cannot submit receipts for reimbursement for any expenses incurred before the date of certification to the community college for additional reimbursement. The costs must be incurred over the period of time specified in the agreement under Iowa Code section 260E.3. Funds can only be used in support of training and cannot be used to reimburse consultants, travel, conferences, or legal fees or any administrative expenses not related to training.

"Training" does not include upskilling of current employees; business onboarding, basic computer skills; succession planning; behavioral skills, such as but not limited to communications, leadership development, interpersonal skills development, teamwork building or related programs, conflict management, or training employees to assist individuals with substance use disorder as defined in Iowa Code section 125.2(13); or scholarships for higher education. Training does not include upskilling that leads directly to a professional degree in medicine, law, accounting or other professional areas. Wholesale updates or purchase of businesswide training materials and systems are not eligible. Funds can only be used in support of training and cannot be used to reimburse consultants, travel, conferences or legal fees or any administrative expenses not directly related to training.

[**ARC 0788D**, IAB 11/25/26, effective 12/30/26]