871—62.4(15,260E) Agreements.

62.4(1) *Notification.* The community college will notify the department of all agreements deemed to be final and ready for project funding by sending a copy of the final agreement and project training plan to the department upon execution by all parties and no later than 30 days prior to publishing certificates for public comment. The department will evaluate these documents for compliance with program requirements and, if program requirements are not met, will send a detailed list of corrections to the community college within 15 business days of receipt of the completed project training plan. Program requirements must be met to the department's satisfaction prior to the inclusion of the project in a bond issuance. Once a bond has been issued, the community college will notify the department of the sale by entering data and uploading required documentation identified by the department into the 260E Data System within 30 days of execution by all parties. Except where otherwise prescribed in these rules, the department, in conjunction with the community colleges, will develop a format and timetable for reporting relevant information to the department. Such reporting will include but will not be limited to information and official statements with respect to all final agreements and related certificate sales, information regarding college procedures for training agreement review and training project monitoring, and documentation of identified events of default, remedies and repayment policies.

62.4(2) *Additional agreement items.* In addition to the provisions of an agreement described in Iowa Code section 260E.3(1) through 260E.3(5), the agreement will include the following items:

a. The length of time each new job category will be provided on-the-job training.

b. The completion date of all other training.

c. If the supplemental new jobs credit is to be utilized as authorized in Iowa Code section 256.7(14), the agreement signed by the business(es), the community college, and the department of revenue for the use of an additional 1.5 percent withholding to educate and train new employees.

d. New jobs pledged by the business, which must be created within three years of execution of the final agreement submitted for the bond issue. If a new facility is being built, the jobs must be created within two years of the completion of the building.

62.4(3) *Additional notification.* Upon receipt of a notice that the community college and an employer have entered into an agreement, the department of revenue shall provide a copy of the agreement to the department for review. The department of workforce development may provide feedback regarding the agreement to the department of revenue within seven calendar days after the date of receipt of the copy of the agreement. If the final agreements do not adhere to program requirements, the department of revenue can deny the credit from withholding for the employer participating in the program. The department of revenue must share any such feedback from the department with the community college.

62.4(4) *Compliance with department of revenue requirements.*

a. When an agreement for training is deemed final and ready for project funding, the community college will notify the department of revenue within 30 days of the date of execution of the agreement. Notification will be in writing on forms and in the manner determined by the department and is considered complete when entries have been saved in the data system.

b. If, at any time after notification, the estimates are revised, or if changes are made in the agreement that would affect the above reporting requirements, the department of revenue and the department will be notified within 30 days.

62.4(5) *Allowable cost.* A community college may be reimbursed from certificate proceeds up to a 7 percent administrative fee related to direct expenditures associated with the 260E program. Allowable costs do not include reimbursement for consultants, economic development and business services departments, travel conferences, legal fees, or any expenditure not directly related to the administration of the agreement. The community college will provide a detailed quarterly report to the department identifying how the administrative fee is being allocated for each agreement. Training costs incurred prior to the date of the preliminary agreement are not reimbursable.

62.4(6) *Cost standards.* The standard vocational preparation guide, as provided in the Dictionary of Occupational Titles for determining classification of jobs and the length of allowable training periods, may be used by a community college in estimating the cost of on-the-job training. Where these standards are not appropriate, reasonable time periods for on-the-job training will be based on the standard vocational

preparation guide for similar classifications. Reimbursement of a new employee's wages for on-the-job training will not exceed 50 percent of the new employee's annual gross payroll costs. The maximum project total for on-the-job training will not exceed 50 percent of the total available training proceeds.

62.4(7) *Administrative fee.* The community colleges may be reimbursed a 7 percent administrative fee. This fee shall only be used to fund administrative expenses directly related to the administration of the program. The community colleges will annually submit a detailed report identifying how the administrative fee was spent.

62.4(8) *Equipment.* Equipment required for training will be an allowable provision in a training project as described in Iowa Code chapter 260E. The cost of equipment used in training will be prorated to the project in that proportion chargeable to the training program, and the remainder of the cost of such equipment will be the responsibility of the employer. Proceeds of the certificates will not be used directly or indirectly to finance land, facilities or depreciable property to be owned by the employer or other private person.

62.4(9) *Repayment duration.* For an agreement entered into on or before June 30, 2026, payment of program costs shall not be deferred for a period longer than ten years from the date of commencement of the project and the agreed-upon period shall not be extended. For an agreement entered into on or after July 1, 2026, payment of program costs shall not be deferred for a period longer than seven years from the date of commencement of the project.

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