

Red Tape Review Rule Report (Due: September 1, 2026)

Department Name:	Iowa Department of Corrections	Date:	5/01/2026	Total Rule Count:	10
IAC #:	201	Chapter/ SubChapter/ Rule(s):	37	Iowa Code Section Authorizing Rule:	904.108 and 904.804
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The intended benefit of this rule is to support successful reentry by providing meaningful, skill-building work opportunities to incarcerated individuals of the state’s nine correctional institutions (Iowa Code §904.801). The rule strengthens Iowa Prison Industries’ ability to offer work training opportunities, partner with employers, and produce goods for public and private entities, ultimately improving employability, reducing recidivism, and enhancing public safety.

Is the benefit being achieved? Please provide evidence.

Yes. During the most recent reporting calendar year 2025, 400 incarcerated individuals were employed in the private sector, and more than 600 incarcerated individuals benefited from training program options (FY2025).

What are the costs incurred by the public to comply with the rule?

There are no direct costs to the public associated with this rule.

What are the costs to the agency or any other agency to implement/enforce the rule?

Iowa State Industries (also known as Iowa Prison Industries (IPI)) is entirely self-funded and receives no state appropriation. The program operates on revenues generated through its business activities and remains financially self-sufficient and sustainable.

There are no additional costs incurred by the Department of Corrections or any other state agency to implement or enforce this rule. The rule does not create new programs, staffing requirements, or administrative obligations beyond existing operations.

Do the costs justify the benefits achieved? Please explain.

Yes. Given the public safety and reentry benefits the rule supports, the benefits outweigh any administrative effort required.

Are there less restrictive alternatives to accomplish the benefit? YES NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

Iowa Code requires rules.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

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Yes. The Department of Corrections proposes removing language that is unnecessarily restrictive, duplicates state statutes, that is obsolete, or that does not align with processes required federally.

RULES PROPOSED FOR REPEAL (list rule number[s]):

Rule 37.3 “Catalogs” – Consolidated with other rules

Rule 37.4 “Offices” – Not necessary.

Rule 37.5 “Obtaining information from or reporting information to Iowa state industries” – Consolidated with other rules

Rule 37.6 “Internet website” – Not necessary.

Rule 37.8 “Prison industries advisory board” – Repealed under 2024 Iowa Acts, SF2385.

Note: Several subrules will be consolidated with other rules and/or rescinded.

Rule 37.1 (1) – Not necessary.

Rules 37.2(2) and 37.2(3) - Consolidated with other rules.

Rule 37.7(5) – Rule reference rescinded under 2026 Iowa Acts, SF 2463.

Rule 37.9(2) – Creates unnecessary regulatory burden without legal mandate.

Rule 37.9(8) – Repealed under 2024 Iowa Acts, SF2385.

Rule 37.10(3) “a” – Creates unnecessary regulatory burden without legal mandate.

RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):

See below proposed new chapter. Current chapter will be rescinded and will adopt new rule chapter in lieu thereof.

****For rules being re-promulgated with changes, you may attach a document with suggested changes.***

METRICS

Total number of rules repealed:	5
Proposed word count reduction after repeal and/or re-promulgation	1,057
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	45

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

None

Proposed New Chapter 37 – New Rule Text

CHAPTER 37 IOWA STATE INDUSTRIES

201—37.1(904) Function. Iowa state industries, established by Iowa Code chapter 904, is administered by a state director, and operates manufacturing, farming, surplus and private sector work programs. Each business is entirely self-funded and receives no state appropriation.

37.1(1) Iowa state industries is charged with making available to offenders of the state correctional institutions opportunities for work in meaningful jobs that will enable the offenders' chances of a successful return to society as law-abiding and self-supporting members of the community upon the offenders' release. Iowa state industries is further charged with enabling offenders to work in order to provide financial assistance to their dependents, make restitution, pay the cost of board and maintenance in a correctional institution, and accumulate savings upon their eventual return to the community. This rule is intended to implement Iowa Code section 904.804.

201—37.2(904) Sale of products.

37.2(1) Iowa state industries may sell products as outlined in Iowa Code section 904.815.

37.2(2) Iowa state industries may sell products to a general contractor when the products purchased will be sold to a public entity as provided in Iowa Code section 904.815. The public entity will submit a written request to Iowa state industries specifying the products and quantities to be purchased. Such sales will be limited to contractors involved in construction, renovation, and remodeling projects. Sales to a general contractor above \$50,000 will be approved by the state director.

37.2(3) Catalogs are available online at www.iaprisoinind.com or at the Iowa state industries showroom and main office, located at 1445 East Grand Avenue, Des Moines, Iowa 50316. For inquiries or to request a mailed catalog call (800)332-7922.

37.2(4) To obtain or report information to Iowa state industries, contact the Business Office at 406 North High Street, Anamosa, Iowa 52205; telephone (319)462-3706. Information is also available online at www.iaprisoinind.com. This rule is intended to implement Iowa Code section 904.815.

201—37.3(904) Procurement of goods and services.

37.3(1) The provisions of 11—Chapter 117 are hereby adopted by reference with the following amendments.

- a. Strike “Department of Administrative Services” and insert in lieu thereof “Iowa State Industries” in all rules.
- b. In lieu of the definitions of “Department” and “Director,” insert the following:

“Department” means the division of Iowa state industries.

“Director” means the director of the division of Iowa state industries or the director’s designee.

- c. Rules 11—117.7(8A) and 11—117.15(8A) and subrule 117.4(3) are not adopted.

d. In lieu of the text of 11—subrule 117.14(1), insert the following: “Purchase of goods. An agency may acquire goods not otherwise available through a master agreement in accordance with the procurement threshold guidelines in 11—subrule 117.5(3).”

37.3(2) For vendor appeals involving a competitive solicitation, the uniform rules procedures in 7-2505 apply. For all other purchasing actions, including non-competitive procurement and contract administration, the following process shall apply:

- a. Step 1. Appeals will be filed in writing to the Business Manager, Iowa State Industries, 406 North High Street, Anamosa, Iowa 52205, within 5 working days of notification of the action being appealed. The appeal is to state the specific grounds upon which the vendor is challenging the action. The business manager, Iowa state industries, will notify the vendor in writing of the decision within 10 working days.
- b. Step 2. If the appeal is not resolved, it may be further appealed by the vendor to the Director of Iowa State Industries, Jessie Parker State Office Bldg., 510 East 12th Street, Des Moines, Iowa 50319, within 10 working days of the notification of the Step 1 appeal response. The director of Iowa state industries will notify the vendor in writing of the decision within 15 working days.
- c. Step 3. An unresolved appeal to the Director of Iowa State Industries will be referred to the Director of the Department of Corrections, Jessie Parker State Office Bldg., 510 East 12th Street, Des Moines, Iowa 50319, within 10 working days of the notification of the Step 2 appeal response. The director of the department of corrections will notify the vendor in writing of the decision within 15 working days.

This rule is intended to implement Iowa Code section 904.813.

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 defined 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 defined 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, DC.

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 workforce development board rule 877—1.5(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.

201—37.5(904) Utilization of offender labor in construction and maintenance projects.

37.5(1) Definitions.

“*Director*” means the same as defined in Iowa Code section 904.101(5).

“*Employer*” means a contractor or subcontractor providing maintenance or construction services under contract to the department of corrections or under the department of administrative services.

“*Workforce development director*” means the same as defined in Iowa Code section 84A.1(2).

37.5(2) Scope. Utilization of offender labor applies only to contractors or subcontractors providing construction or maintenance services to the department of corrections. The contract authority for providing construction or maintenance services may be the department of administrative services.

37.5(3) Employer application. Employers working under contract with the state of Iowa may submit an application to the department of corrections to employ offenders. Requests for such labor shall not include work release offenders assigned to community-based corrections under Iowa Code chapter 904.

a. The employer’s application shall include:

- (1) Scope of work, including type of work and required number of workers;
- (2) Proposed wage rate;
- (3) Location;
- (4) Duration; and
- (5) Reason for utilizing offender labor.

b. The department of corrections will verify through the department of workforce development 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 employer that will employ the offenders.

37.5(4) Verification. Upon written request from the department of corrections, the workforce development division administrator shall verify the employment levels and prevailing wages paid for similar jobs in the area and provide to the director, in writing:

- a. The average wage rate for the proposed job(s);
- b. The wage range;
- c. The prevailing wage as determined by the U.S. Department of Labor;
- d. The current unemployment rate for the county where the work is being performed;
- e. The current employment levels of the employer that will employ the offenders based upon the most recent quarter for which data is available.

37.5(5) Safety training. The employer shall document that all offenders employed in construction and maintenance projects receive an OSHA 10-Hour outreach course provided free of charge by an authorized OSHA outreach trainer.

37.5(6) Prevailing wages.

a. The director will not authorize an employer to employ offenders in hard labor programs without obtaining from the department of workforce development employment levels in the locale of the proposed jobs and the prevailing wages for the jobs in question. The average wage rate and wage range from the department of workforce development will be based on the appropriate geographic area for which occupational wage information is available. The appropriate geographic area may be statewide.

b. To reduce any potential displacement of civilian workers, the director will advise prospective employers and eligible offenders of the following requirements:

- (1) Offenders will not be eligible for unemployment compensation while incarcerated.
- (2) Before the employer initiates work utilizing offender labor, the director will provide the baseline number of jobs as established by the department of workforce development.
- (3) If the contract to employ offender labor exceeds six months, the director will:

1. Request and receive from the workforce development division administrator the average wage rates and wage ranges for jobs currently held by offenders and current employment levels of employers employing offenders; and
2. Compile a side-by-side comparison of each employer.

37.5(7) Disputes. Anyone who believes that the employer's application violates this rule shall present concerns in writing to the workforce development board. A written complaint may be filed with the workforce development board for any dispute arising from the implementation of the employer's application in accordance with workforce development board rule 877—1.6(84A). The workforce development board shall consult with the director prior to making recommendations. The director will assist the workforce development board in compiling all information necessary to resolve the dispute. The workforce development board shall notify the director and interested parties in writing of the corrective action plan to resolve the dispute, which will be binding on all parties.

This rule is intended to implement Iowa Code section 904.701.