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## BUDGET UNIT BRIEF – FY 2024

Fiscal Services Division

July 1, 2023



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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

# Apprenticeship Training Program — Workforce Development Fund Account

## Purpose and History

The Apprenticeship Training Program was established with the enactment of 2014 Iowa Acts, chapter [1132](#). In Iowa Code section 84D.3, an Apprenticeship Training Program Fund was established in the State Treasury under the control of the Iowa Department of Workforce Development (IWD), with the Fund consisting of moneys appropriated to the IWD, any other moneys available to the IWD for this purpose, and interest and earnings of the Fund. The IWD is limited to no more than 2.0% (approximately \$60,000) of the total moneys deposited in the Fund to be used for administration. Moneys in the Fund do not revert at the close of a fiscal year.

A Financial Assistance for Apprenticeship Program within the IWD was also created in 2014 Iowa Acts, chapter 1132. Eligible apprenticeship sponsors or lead apprenticeship sponsors applying for the Program must be registered with the U.S. Department of Labor or the Iowa Office of Apprenticeship, and the apprentices must be employed at an Iowa worksite. Financial assistance can only be used for the cost of conducting and maintaining an apprenticeship program. The IWD is required to provide the assistance through grants, and the grants are allocated equally by formula in proportion to all applications received by the IWD. The recipient of the financial assistance must provide detailed information to the IWD about the recipient and the planned training to be financed. A signed contract is required between the parties regarding the financial assistance to be provided.

2023 Iowa Acts, [Senate File 514](#) (State Government Alignment Act), transferred the Apprenticeship Training Program, the Apprenticeship Training Fund, and the [Workforce Development Fund](#) (WDF) from the Iowa Economic Development Authority (IEDA) to IWD.

## Funding

The resources to operate the Apprenticeship Training Program are provided from the Apprenticeship Training Program Fund, which receives an annual \$3.0 million standing appropriation from the WDF Account.

The WDF Account receives funding from the New Jobs Credit (Iowa Code section [422.16A](#)) per the withholding mechanism established in Iowa Code section [260E.5](#), including a job training project funded under Iowa Code section 260J.1 or 260J.2I. After a business's training obligation has been paid off, an amount equal to 25.0% of the total amount of withholdings paid by a business for jobs created under the New Jobs Credit Program are diverted each quarter to the WDF Account for a period of 10 years.

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## More Information

Registered Apprenticeship Programs: [workforce.iowa.gov/opportunities/ra](http://workforce.iowa.gov/opportunities/ra)  
Iowa Department of Workforce Development: [workforce.iowa.gov](http://workforce.iowa.gov)  
LSA Staff Contact: Evan Johnson (515.281.6301) [evan.johnson@legis.iowa.gov](mailto:evan.johnson@legis.iowa.gov)

**Related Statutes and Administrative Rules**

Iowa Code section [422.16A](#)

Iowa Code chapters 84D, 84F, [260C](#), [260E](#), and [260F](#)

Iowa Administrative Code [877—16](#)

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