

## F I N A L R E P O R T

### IOWA'S NEW JOBS TRAINING PROGRAM STUDY COMMITTEE

January 1990

#### AUTHORIZATION AND APPOINTMENT

The Iowa's New Jobs Training Program Study Committee was established by the Legislative Council to "examine the effectiveness of the training components of the New Jobs Training Program, document types of industries and businesses that utilize the training program, and assess the value to the state from that training. Make recommendations for training assistance which will meet the employment needs of the state and its workforce. The Committee shall also act as the sponsoring group for a program evaluation of all job retraining programs administered by the Department of Economic Development, to be conducted by the Legislative Fiscal Bureau. Final meeting date no later than November 1, 1990."

Members serving on the Study Committee were:

Senator John Kibbie, Co-chairperson  
Representative Jack Hatch, Co-chairperson  
Senator Leonard Boswell  
Senator Mark Hagerla  
Senator Calvin Huitman  
Senator Richard Varn  
Representative Robert Arnould  
Representative John Groninga  
Representative Janet Metcalf  
Representative Tom Miller

#### COMMITTEE PROCEEDINGS

The Study Committee was granted two meeting days which were held at the State Capitol Building in Des Moines on September 27, 1989, and November 1, 1989.

At the first meeting, the Study Committee was given an overview of the Iowa Industrial New Jobs Training Program (Chapter 280B), its history, workings, and effectiveness, by Mr. Jeff Nall, Division of Job Training, Department of Economic Development. Mr. Nall and Mr. Bob Yeager, Bureau of Area Schools, Department of Education, also delineated for the Study Committee the roles played by their respective Departments in the operation of the training program.

Chapter 280B was enacted during the 1983 Session and establishes a training program for individuals being employed in new jobs of an expanding or new business. The training is done through the area community colleges with the costs of the training funded by tax increment financing concept or a percent of the state income tax withholding from the new employees' wages. Costs are usually paid by the issuance of certificates, some tax exempt, and the certificates are then paid from the funding sources.

During the afternoon, the Study Committee heard from the community colleges regarding their involvement in the program. A wealth of information about the program was provided to the Study Committee relating to, among other items, the projects and defaults, jobs estimated/created, audit data, bonding, and criteria used for participation. The individuals making presentations on behalf of the community colleges included Dr. John T. Blong, Chancellor, Eastern Iowa Community College; Dr. Richard Byerly, President, Southwestern Community College; Dr. Joseph Borgen, President, Des Moines Area Community College; and Mr. Ken Haynie, Bond Counsel.

At the second and last meeting held on November 1, 1989, the Study Committee received the Department of Economic Development's annual report entitled Iowa Industrial New Jobs Training Program Annual Report, June 30, 1989. Mr. Jeff Nall of the Department made observations concerning the contents of the annual report. Both Mr. Nall and Mr. Yeager again responded to questions from the members concerning their Departments' oversight of Chapter 280B. Dr. Borgen, Des Moines Area Community College, was also present and discussed with the Study Committee various aspects of accounting and reporting activities as they relate to Chapter 280B.

#### RECOMMENDATIONS AND FINDINGS

After lunch, the Study Committee completed its charge and made the following recommendations and findings to the Legislative Council and General Assembly:

1. There is no need for legislative change to Chapter 280B, i.e. "623".
2. Each area of interest should be reviewed and analyzed by the Department of Economic Development and the Department of Education to ensure that potential problems do not develop. The Departments shall report their findings concerning these issues to the Joint Education Appropriations Subcommittee during the next session of the General Assembly.
3. Rules are currently written by the Department of Economic Development. If the General Assembly establishes a central policy

board to coordinate community colleges, rulemaking authority could be transferred to this board.

4. The issue of criteria for being more selective concerning training projects should be examined in the event the tax-exempt bond cap becomes a greater problem.

5. Despite the focus of the program on the job, as opposed to the worker, community colleges should collect data concerning the retention and performance of workers trained through Chapter 280B, i.e. "623".

6. Community colleges should report annually to the Department of Economic Development and the Department of Education concerning Chapter 280B, i.e. "623" activities in the same format as that presented to the Study Committee.