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NEWS RELEASE

FOR RELEASE

June 30, 2020

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Auditor of State Rob Sand today released a report on a review of the status of findings and recommendations for the Iowa Industrial New Jobs Training Program (NJTP) issued on May 19, 2009. The review was conducted at the request of the Director of the Iowa Economic Development Authority (IEDA).

The purpose of NJTP is to provide incentive to businesses considering locating or expanding operations in the State by sharing in the cost of training for employees in new jobs created by projects under agreements with community colleges. The goal of training includes skill development and enhancement for the State's workforce. NJTP is coordinated by the Iowa Economic Development Authority (IEDA) in consultation with the Department of Education (DE) and the community colleges. IEDA and the 15 Iowa community colleges are responsible for administering NJTP in accordance with the *Code* and the administrative rules developed by IEDA.

Sand reported IEDA and the community colleges implemented policies and procedures to address many of the findings and recommendations included in the previous report. The changes included:

- Creation and implementation of a new database effective the second quarter of fiscal year 2012.
- IEDA verifies information reported by the community colleges which is included in the database.
- Community colleges have ensured training funds are used only for training related to the new job created under the training agreement.
- Improvements to monitoring.

Sand also reported although companies are generally creating the specific jobs required under the NJTP agreements and repaying the training certificates using a portion of the withholdings from the jobs created, there is no clear evidence those jobs add to the base employment or expand economic opportunity past the end of the contract. Taxpayers could ensure their funds are seeing actual benefit if programs ensure that neither the new jobs nor previously existing jobs are regularly ended once the

tax credit contract ends. Given the number of tax credits and tax credit programs used to recruit and retain companies, the Legislature should consider evaluating if the NJTP program is an appropriate use of state resources. Diverting a portion of withholdings from the State's general fund in order to retire debt issued by the community colleges to provide training for new and existing business to create jobs reduces funding available for other priorities.

A copy of the report is available for review on the Auditor of State's web site at <https://www.auditor.iowa.gov/reports/audit-reports/>.

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**REPORT ON A REVIEW OF THE
IOWA INDUSTRIAL NEW JOBS TRAINING PROGRAM
ADMINISTERED BY THE
IOWA ECONOMIC DEVELOPMENT AUTHORITY**

**FOR THE PERIOD
JULY 1, 2011 THROUGH JUNE 30, 2019**

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Auditor's Transmittal Letter

Iowa Economic Development Authority
1963 Bell Avenue
Des Moines, IA 50315

To Debi Durham, Director of the Iowa Economic Development Authority:

At your request, we have conducted a review as a follow-up of the findings included in a report issued by the Office of Auditor of State on May 19, 2009 regarding the Iowa Industrial New Jobs Training Program (NJTP). The review was also conducted in conjunction with our audit of the financial statements of the State of Iowa and in accordance with Chapter 11 of the *Code of Iowa*. The NJTP program is coordinated by the Iowa Economic Development Authority (IEDA) and administered by the 15 community colleges.

As a result of your request, we performed the following procedures for the period July 1, 2011 through June 30, 2019, except as noted.

- 1) Interviewed various personnel and reviewed information related to NJTP to obtain an understanding of the administration and monitoring performed by IEDA and the community colleges.
- 2) Examined and analyzed financial records, reports and monitoring completed by IEDA and selected community colleges through June 30, 2018 to determine compliance with significant laws and administrative rules.
- 3) Examined and analyzed certain data maintained in the NJTP database by IEDA to determine compliance with significant laws and administrative rules.
- 4) Examined certain activity related to projects for which NJTP agreements established by selected community colleges with participating businesses. Specifically, we:
 - a. Examined certain payroll records submitted to community colleges to determine whether withholding tax amounts remitted were accurately and sufficiently supported. In addition, we determined if withholding tax remittances were accurately recorded to appropriate projects by the community colleges.
 - b. Compared withholding tax credit information reported in financial records of community colleges to withholding reports submitted to the Iowa Department of Revenue to determine whether all withholding tax payments received by community colleges from participating businesses were accurately reported.

This report includes the findings and recommendations from the 2009 report issued on May 19, 2009 and the current status of the IEDA and the community college's implementation of the recommendations included in that report. As a result of these procedures, we determined IEDA and the community colleges resolved many of the findings identified in report. For the findings not resolved, additional recommendations are included in this report

In accordance with your request, the scope of this engagement included the status of IEDA and the community colleges' implementation of the recommendations included in the 2009 report. In determining the status of the recommendations, the testing we performed was not as extensive as that done in order to develop the report issued in 2009. In addition, we did not address 2009 recommendation directed to the Iowa Department of Revenue.

We would like to acknowledge the assistance and many courtesies extended to us by officials and staff of the Iowa Economic Development Authority and the community colleges during the course of our review.



Rob Sand
Auditor of State

June 23, 2020

Introduction

The Iowa Industrial New Jobs Training Program (NJTP) became effective July 1, 1983. Authorizing legislation is found in Chapter 260E of the *Code of Iowa*. The purpose of NJTP is to provide incentives to businesses considering locating or expanding operations in the State by sharing in the cost of training employees in newly created jobs.

NJTP is coordinated by the Iowa Economic Development Authority (IEDA), formerly the Department of Economic Development (DED), in consultation with the Department of Education (DE). IEDA and the 15 Iowa community colleges are responsible for administering NJTP in accordance with the *Code* and the administrative rules developed by IEDA.

The community colleges enter into agreements with eligible businesses to provide training to employees in new jobs created by the businesses. The agreements with the businesses specify the training to be provided, the number of new jobs planned, and the sources from which NJTP certificates issued to pay for the training will be repaid.

Funding for NJTP – To provide funds for the cost of the training programs, section 260E.6 of the *Code of Iowa* authorizes community colleges to sell training certificates (certificates). Individual certificate issuances may be for a single project or cover multiple projects. Approximately \$1.1 billion of certificates were sold by the community colleges from the inception of NJTP through June 30, 2019. During fiscal year 2019, 10 of the 15 community colleges issued certificates totaling \$37,985,000. The funds raised from the sale of the certificates may be used for the following purposes:

(1) Training costs – Training costs may be incurred by the community college and/or the participating businesses for the employees filling the new jobs associated with the NJTP agreements. The training costs may include:

- adult basic education and job-related instruction,
- career and technical skill-assessment services and testing,
- costs associated with training facilities, equipment, materials and supplies,
- contracted or professional services, and
- on-the-job training.

(2) Administrative fees – To fund administrative services provided by the community colleges and IEDA, portions of the proceeds from the certificates sold are distributed to the community colleges and IEDA.

Community colleges – The community colleges may use a portion of the proceeds from each certificate sold, up to the maximum approved annual administrative cost rate. The Department of Education's Division of Community Colleges and Workforce Preparation is responsible for calculating the annual administrative cost rate for community colleges each fiscal year. The fiscal year 2019 approved administrative rate was 19.5%. The community colleges' combined total administrative costs reported to IEDA for fiscal years 2005 through 2019 is approximately \$129.5 million.

IEDA – As authorized by section 15.251 of the *Code*, IEDA charges the community colleges an administrative fee of 1% of the gross amount of NJTP certificates sold each fiscal year in addition to the administrative fees retained by the community colleges. The total administrative fees collected by IEDA for fiscal year 2005 through fiscal year 2019 totals approximately \$7.4 million.

Administrative funds received by IEDA which are not used for the administration of NJTP are allowed to be transferred to the Workforce Development Fund to be used by IEDA and community colleges for administration of the jobs training program established in accordance with Chapter 260F of the *Code of Iowa*. The fund is established in the Office of Treasurer of State under the control of IEDA as required by section 15.342A of the *Code*. According to IEDA officials and information recorded in the State's accounting system, they have not transferred funds for this purpose since fiscal year 2010.

The *Code* allows the community colleges and IEDA to refinance certificates at a lower rate and collect an additional administrative fee from the refinanced certificates. However, according to IEDA staff and available records, the community colleges and IEDA have not collected the additional allowable administrative fee when a certificate is refinanced.

- (3) Issuance costs – Proceeds received from selling the certificates are also used by community colleges to pay for the issuance costs of the certificates. Issuance costs include legal fees, underwriter expenses, and bond rating agency fee incurred by the community colleges for the issuance of the certificates.
- (4) Reserves – A portion of the certificate proceeds are set aside by community colleges for a “reserve”, which may be used to make principal and interest payments on the certificates in the initial year of the project before any revenue is received from the businesses. According to IEDA staff, the reserve is usually 10% of the certificates and any premium received on the sale of the certificates.

Repayment of NJTP Certificates – The *Code* provides several options to pay the principal and interest on the outstanding certificates issued for NJTP. In accordance with the *Code*, payments may be made from any of the following sources or a combination of them:

- New jobs withholding credits – Payments made by the participating businesses to the community colleges for Iowa income withholding tax from new jobs resulting from the businesses' projects are the primary repayment source. Rather than paying all of the Iowa withholding tax to the State for those wages, the businesses pay an amount equal to 1.5% of the gross wages paid to the employees in the new jobs to the community colleges. These payments are commonly referred to as new jobs withholding credits.

Based on amounts reported to IEDA by the community colleges for active projects since the new database was implemented in the second quarter of 2012, over \$556 million of withholding credits have been remitted to the colleges to pay the principal and interest on the outstanding certificates. The withholding tax has been diverted to community colleges rather than remitted to the Department of Revenue for deposit to the State's General Fund.

- Supplemental new jobs withholding credits – Section 15A.7 of the *Code* authorizes the community colleges to collect from the employers an additional 1.5% of the gross wages paid to the employees in the new jobs to be used to pay the principal and interest on the debt. The project's final approved agreement must include a provision for the supplemental withholding credits and the community college's Board of Directors must approve their use. Supplemental new jobs withholding credits must be collected, accounted for and pledged by community colleges in the same manner as new jobs withholding credits established under Chapter 260E of the *Code*. When supplemental new jobs withholding credits are included in NJTP agreements, the total withholding credit is 3%, including the 1.5% new jobs withholding credit and the 1.5% supplemental new jobs withholding credit.

- Incremental property tax – This amount includes any incremental property tax generated as a result of increases in the valuation of the participating business' property where new jobs are created as a result of the project. Because the incremental property tax may be used to repay the principal and interest on the certificates, the local governments do not benefit from the additional tax revenue. The practice of assessing incremental property tax for repayment of NJTP certificates has decreased based on information included in the NJTP database. According to information reported to IEDA, the community colleges did not collect any incremental property taxes in fiscal year 2019.
- Reserves – As previously stated, a portion of the certificate proceeds are set aside by community colleges as a “reserve”, which may be used to make principal and interest payments on certificates in the initial year of the project before any withholding or property tax is received.
- Unused training funds – In some cases, the cost of providing the training is less than the original amount budgeted. When this occurs the unused training funds are used to pay the principal and interest on the outstanding certificates.
- Standby Tax Levy – In rare instances, if the withholding credits and other sources of funds are not sufficient to pay the outstanding principal and interest, the Board of Directors for the community college can vote to issue a standby tax levy to pay off the outstanding balance.

Most certificates issued by the community colleges cover multiple projects. The certificate covenants for these issuances often allow/require withholding credits from all projects covered by the certificate be used for shortfalls by any projects funded by the same certificate. As a result of this requirement, there are instances where a company fulfills its obligation but continues to divert withholding credits to the community college to pay for another company's failure to cover its share of the certificate principal and interest. This may occur if a project goes bankrupt or ceases operations.

Monitoring of NJTP – IEDA developed monitoring requirements for NJTP including:

- (1) Community colleges' monitoring and reporting – Community colleges are required by NJTP administrative rules to establish a monitoring system which includes, at a minimum, an annual documented review of the participating businesses' compliance with NJTP legal requirements, administrative rules, and agreements. The community colleges are also required by *Code* section 403.21 and IEDA administrative rules to report certain NJTP activity to IEDA each fiscal year. In addition, community colleges must promptly notify IEDA of defaults identified and report amounts of all new jobs withholding credits remitted by participating businesses to the Iowa Department of Revenue.
- (2) IEDA's monitoring and reporting – IEDA relies on the community colleges to appropriately administer and monitor activity for each NJTP project. IEDA staff also perform annual monitoring visits to each community college, attend the community colleges' economic developers' meetings, and attend the community colleges' annual meeting to provide updates on NJTP and discuss concerns and issues identified during IEDA's monitoring.

Administrative fees received from the certificate proceeds are used by IEDA to coordinate NJTP, answer questions from community colleges, maintain a database of NJTP information, and provide monitoring, including on-site monitoring, of NJTP. Section 15.107B of the *Code* requires IEDA to submit an annual report to the General Assembly that describes activities of IEDA during the preceding fiscal year. Specifically, the *Code* requires “The report shall include detailed information about jobs created, capital invested, wages paid, and awards made under the programs the authority administers. The report may include such other information as the director deems necessary or as otherwise required by law.”

Scope of Review

At the request of the IEDA Director, we have conducted a follow-up review of the findings included in a report issued by the Office of Auditor of State on May 19, 2009 regarding the Iowa Industrial New Jobs Training Program (NJTP). Our review was conducted to determine if recommendations made in the report have been implemented and/or other corrective actions have been taken by IEDA and the community colleges to improve the administration of NJTP.

The findings and recommendations section includes the original findings and recommendations from the 2009 report. Each finding is followed by the current status based on the procedures we performed as part of this review. As requested by the Director of IEDA, the scope of this engagement is to report on the status of IEDA and the community colleges' implementation of the recommendations included in the 2009 report. In determining the status of these recommendations, the testing we performed was not as extensive as that done in order to develop the report issued in 2009. As a result, the current status of all aspects of each finding was not determined. However, the 2009 findings are presented in their entirety for context [with clarifications included in brackets].

For the purposes of this report, we have changed any reference to DED to IEDA because the Iowa Department of Economic Development was restructured to the Iowa Economic Development Authority after issuance of the May 19, 2009 report.

Status of 2009 Findings and Recommendations

PROGRAM ADMINISTRATION

2009 FINDING A – Legislative intent not met

The purpose of NJTP is for participating businesses to create new jobs and train employees in skills that enhance the State's workforce. However, the legislative intent of NJTP was not met by completed projects when no jobs were created. Based on an analysis of information reported by community colleges for the NJTP database since inception, we identified 228 of 1,182 of completed projects through fiscal year 2008, or 19.3 percent, resulted in no new jobs created rather than the 15,627 jobs planned. Approximately \$41.9 million was spent on the 228 completed NJTP projects [through June 30, 2008] which did not produce any new jobs, consisting of:

- Over \$38.5 million of training certificates sold by the 15 community colleges to fund NJTP costs,
- \$2,965,280 of community colleges' administrative costs and
- Approximately \$385,000 of IEDA administrative fees charged.

However, since IEDA does not verify NJTP information reported by community colleges and community colleges do not consistently ensure reported job numbers are correct, we do not know if the job numbers reported are accurate. Also, there is no way of knowing whether the reported new jobs created have been retained. Based on information from certain community colleges, some of the businesses reporting no new jobs either closed or filed for bankruptcy.

IEDA staff believes information reported since inception through fiscal year 1993 by community colleges was not as accurate and complete as information reported after fiscal year 1993. Therefore, we analyzed completed projects funded during fiscal years 1994 through 2008 to identify projects which resulted in no new jobs created to compare to the analysis since inception. As a result, we identified 503 completed NJTP projects during fiscal years 1994 through 2008 with 102 reported as having no new jobs created. Therefore, the purpose of NJTP was not met for 102 of 503, or 20.3 percent, of completed projects during fiscal years 1994 through 2008. The percentage of completed projects resulting in no new jobs being created is essentially the same for both scenarios.

2009 Recommendation – IEDA and the community colleges should work together to develop and implement a plan for improving NJTP to ensure desired results are achieved. For example, IEDA and community colleges should discuss and consider improvements in:

- Monitoring procedures and periodic evaluation of progress to help ensure NJTP projects result in creating new jobs as intended.
- Comprehensive business screening procedures should be completed by the community colleges and reviewed by IEDA prior to entering into agreements with businesses, such as comprehensive reviews of businesses' financial condition, long-term plans for growth in Iowa and chances for success in the proposed area of the State.

Status – Partially resolved

IEDA and the community colleges have implemented procedures to ensure the planned jobs were created and accurately reported. Based on testing performed, the community colleges review the financial condition of the business, the types of jobs to be created, and when available the success of prior NJTP projects with the company. The community colleges also verify the jobs created under the agreement are included in the payroll reports submitted and the amounts of withholdings remitted to the college is correct based on the payroll information provided.

We also reviewed data collected by IEDA regarding the number of new jobs reported by employers for contracts established 2012. During 2012, the community colleges established 121 agreements which involved 118 employers. The 118 employers pledged to create a total of 5,516. Three of the employers had multiple agreements.

We did not analyze the number of jobs reported as created for any contracts established after 2012 because the contracts established in 2012 are the furthest along and are close to having the certificates retired. According to IEDA staff, most companies take two years to create the pledged number of jobs once the contract is signed. In addition, we did not analyze the number of jobs reported as created for contracts established prior to 2012 because the data for those projects is not complete.

Table 1 compares the number of pledged jobs to the actual number of jobs created for the contracts entered into during 2012. The information was obtained from the NJTP database maintained by IEDA.

Table 1

Annual Report	Number of Pledged Jobs	Number of Agreements Reporting	Actual Jobs Created	Percentage Created
2012	5,516	83	2,879	52.2
2013	5,516	121	5,016	90.9
2014	5,516	121	4,883	88.5
2015	5,516	119	5,007	90.8
2016	5,516	120	4,957	89.9
2017	5,516	120	4,834	87.6
2018	5,516	117	4,374	79.3
2019	5,516	66	2,922	53.0

As shown by the **Table**, there were 4,374 and 2,922 jobs reported in the 2018 and 2019 annual reports, respectively, for projects created during 2012, or a decrease of 1,452. Based on the

information in the database, there were 118 companies which filed a report in 2018. Of the 118 companies, 49 companies who reported jobs created in 2018 did not file an annual report in 2019.

Of the 49 projects which did not file an annual report in 2019, 35 reported creating the number of jobs pledged as of June 30, 2018. Based on IEDA records, these 35 companies repaid their share of the training certificate by June 30, 2018 and the contract was closed. Once a contract has been completed, they are not required to report the number of jobs created. The remaining 14 projects reported creating fewer jobs than the number pledged in their agreement. These projects were also closed as their share of the training certificate were repaid by June 30, 2018. For these 14 projects the certificates were repaid from the withholdings on the jobs created and unused training funds for the jobs they did not create.

The only requirement for maintaining the planned number of new jobs is that a portion of the withholding tax for each of the new jobs created be remitted to the community college to retire the debt established by the training certificates issued by the college for the project in which an employer is included. The enabling legislation for NJTP does not address if the number of jobs (base employment) and the planned new jobs must be maintained for a period of time.

The *Code of Iowa* defines a new job as “a job in a new or expanding industry **but does not** include jobs of recalled workers, or replacement jobs or other jobs that formerly existed in the industry in the state of Iowa.” The administrative rules developed by IEDA also defines jobs in an expanding industry as the “addition of new jobs which did not exist in that industry in Iowa prior to the signing of an agreement for training and which exceeds the level of employment in that industry six months prior to the date of the agreement.”

The community colleges determine if the new jobs which are to be created meet the *Code* requirements at the time the agreement is entered into. To determine the base employment, the community colleges review the payroll records provided by the businesses to ensure the planned new jobs in the agreement are not replacement jobs or other positions which existed prior to the agreement.

Many of the companies the community colleges work with are local to the area. When the community colleges enter into agreements with larger companies which operate at multiple locations in Iowa, community college officials ask if the business is moving jobs or has recently closed/moved operations from another facility in Iowa. However, the community colleges do not have access or a way to easily verify responses.

The *Code* and IEDA administrative rules do not include any requirement the base employment jobs be maintained for a period of time after the agreement is signed. A company may eliminate jobs which were previously included in the base employment figures. However, the jobs created under the agreement would need to be retained in order to pay off the company’s portion of the training certificates issued by the community college.

Because it is not clear if employers must maintain their base employment number in addition to the planned new jobs, it is not clear if the jobs created add to the economy of the state as it appears the legislature intended.

Current Recommendation – Although companies are generally creating the specific jobs required under the NJTP agreements and repaying the training certificates using a portion of the withholdings from the jobs created, there is no clear evidence those jobs add to the base employment or expand economic opportunity past the end of the contract. Taxpayers could ensure their funds are seeing actual benefit if programs ensure that neither the new jobs nor previously existing jobs are regularly ended once the tax credit contract ends. Given the number of tax credits and tax

credit programs used to recruit and retain companies, the Legislature should consider evaluating if the NJTP program is an appropriate use of state resources. Diverting a portion of withholdings from the State's general fund in order to retire debt issued by the community colleges to provide training for new and existing business to create jobs reduces funding available for other priorities.

2009 FINDING B – Not all NJTP administrative fees collected by IEDA are used for NJTP

[From the inception of NJTP through June 30, 2008,] IEDA received approximately \$7.6 million to administer NJTP, based on 1% of the almost \$758.5 million total training certificates reported as sold by community colleges and included in the NJTP database. However, administrative fees received by IEDA from community colleges are not used exclusively for NJTP responsibilities.

As authorized by *Code* section 15.251, administrative fees received from community colleges during each fiscal year are deposited in the IEDA Job Training Fund. At the end of each fiscal year, unspent administrative fees are transferred to the Workforce Development Fund established by *Code* section 15.342A. Funds in the Workforce Development Fund are primarily used for administration of the jobs training program authorized by *Code* Chapter 260F while minimal funds are used for IEDA's limited NJTP duties under *Code* Chapter 260E.

Funds are available for IEDA to be more involved in monitoring the appropriateness of community colleges' NJTP activity, but IEDA only completes minimal duties.

2009 Recommendation – IEDA should use available funds to take a more active role in monitoring and reporting NJTP activity of the community colleges as recommended in **Finding J**. An analysis should be completed to evaluate the appropriateness of the 1% administrative fee collected from community colleges. Such evaluation should include any changes made by IEDA in response to **Finding J**.

Status – Resolved.

Using information recorded in the State's accounting system, IEDA is using the administrative funds received from the community colleges for the administration of NJTP. The fees are used for salary of staff assigned to NJTP, supplies, indirect costs, database administration, IT services, and travel related to monitoring of NJTP.

COMMUNITY COLLEGES

2009 FINDING C - Excess funds collected

We identified instances of community colleges collecting withholding tax and incremental property tax in excess of amounts needed to pay principal and interest on training certificates, and most of the excess was transferred to other projects. The transfer and use of the excess funds is not appropriate and does not comply with NJTP *Code of Iowa* requirements.

It is important for community colleges to appropriately account for, allocate, track and monitor the use of funds by funding source so any funds remaining after paying all principal and interest on training certificates may be appropriately remitted to the State Treasurer or to appropriate counties.

2009 Recommendation – Community colleges should monitor all funding received from participating businesses and counties for projects under each NJTP agreement to ensure the total amount needed to pay all principal and interest on training certificates is not exceeded. However, if any withholding tax or incremental property tax in excess of amounts needed to pay all principal and interest on the training certificates are identified, the funds should be appropriately allocated and accounted for by funding source and remitted to the State Treasurer and counties, as appropriate. The NJTP agreements and addendums should include clear and specific requirements regarding appropriate use of funds for repayment of training certificates.

Status – Resolved.

In accordance with the *Code of Iowa*, community colleges may continue to collect withholdings from the projects included in multiple issuances to pay the principal and interest on the certificate even if the project has already paid its share of the principle and interest.

2009 FINDING D – Transfer of accumulated interest

We are aware of 2 instances in which community colleges used guidance provided by an attorney as authorization to transfer accumulated interest for closed projects from the designated NJTP accounts maintained by the community college. In the first instance, a total of approximately \$1,350,000.00 was transferred from the community college's NJTP account to its General Fund over the course of 4 fiscal years.

The second community college transferred approximately \$7,375,000.00 from the NJTP account to its Plant Fund during the fiscal year ended June 30, 2008 to help meet building and repair costs.

Because the certificates were paid with funds which would otherwise have been remitted to the State's General Fund or from local tax revenue rather than the accumulated interest, the transfers made by the community colleges effectively appropriate additional funds to the community college by the State or county.

2009 Recommendation – The General Assembly should consider whether the community colleges should be allowed to transfer accumulated interest earned on closed projects from the NJTP account in order to use the funds for other purposes of the community colleges. The General Assembly should also consider whether the language found in the *Code of Iowa* establishing the NJTP program should be modified to specifically address allowable and/or unallowable uses for any interest earned on NJTP funds.

Status – Not resolved.

No action has been taken by the General Assembly to address the allowable or unallowable use of interest earned on NJTP funds. However, we did not identify any transfers of accumulated interest earned on closed projects from the NJTP account to be used for other purposes of the community colleges. In addition, as part of their monitoring, IEDA currently reviews the use of interest earned on NJTP funds.

2009 FINDING E – Planned training not specified in agreement or not specific enough

Some of the training included in several NJTP agreements reviewed at NEICC and IVCC were subjects which are not specific or exclusive to the new jobs created and, in several instances, included topics generally covered by businesses during employee training regardless of participation in NJTP. Training provided was not applicable to just new jobs. For example, training specified in 6 of the 30 agreements reviewed at IVCC and in 21 of 49 agreements reviewed at NEICC included orientation, leadership development, and occupational health and safety.

We also identified 5 of 30 agreements reviewed at IVCC and 11 of 49 agreements reviewed at NEICC did not specify the training planned for the new jobs.

Training included in NJTP agreements and provided to employees by participating businesses and community colleges needs to be specifically relevant and necessary for the new jobs created by project to help ensure the intent of the program is met.

2009 Recommendation – Community colleges should ensure training included in NJTP agreements is specifically relevant and necessary for employees in the new jobs created to help ensure the legislative intent of the program is met. Also, community colleges should monitor actual

training provided compared to training included in NJTP agreements to ensure compliance of participating businesses prior to reimbursing the businesses for training costs.

Status – Resolved.

The *Code* sections applicable to NJTP do not establish requirements for training. IEDA administrative rules also do not specify the type of training allowed. According to IEDA and community college staff we spoke with, it is understood training needs to be related to the jobs created and may include any training required for the position, including OSHA training, computer training, English as a second language, and other courses. We reviewed selected job training agreements and training plans. Based on our review, we determined training funds were used to only pay for employees in the new job created for classes such as OSHA training.

2009 FINDING F – Community colleges’ monitoring needs improvement

We reviewed community colleges’ NJTP monitoring procedures and compliance with relevant *Code of Iowa* sections and administrative rules. As a result, we identified:

Required monitoring not consistently completed – Community colleges are not consistently complying with the monitoring system requirements of NJTP administrative rules established by IEDA. While community colleges have established a monitoring system for NJTP activity, procedures are not consistently completed by some community colleges to ensure participating businesses’ compliance with NJTP requirements contained in the *Code of Iowa*, administrative rules and agreements. Also, the types and extent of monitoring procedures completed by NJTP staff of the 15 community colleges varies from college to college and some were not aware of the annual monitoring requirement contained in the NJTP administrative rules. For example, we identified some community colleges do not consistently:

- Complete on-site monitoring visits of participating businesses each fiscal year to determine compliance with NJTP requirements as required by the administrative rules.
- Obtain and review financial records of participating businesses during on-site visits to determine financial compliance, such as reviewing the allocation and use of funds.
- Require supporting documentation to be maintained and submitted by participating businesses, including enough detail to allow community colleges to identify which NJTP projects funds should be allocated to. As a result, it is difficult or impossible for community colleges to sufficiently monitor and evaluate the success of projects, especially when multiple projects are included under a single NJTP agreement.
- Determine whether participating businesses’ expenditures submitted for reimbursement are appropriate under the NJTP agreement budget.
- Compare planned new jobs to actual jobs created and determine whether the types of jobs created are appropriate under NJTP agreements.
- Evaluate whether specific projects are effective in creating new jobs, which is essential for determining the success of NJTP agreements.
- Monitor whether job creation goals contained in NJTP agreements have been met.
- Document monitoring procedures completed and results.

Appropriateness and accuracy of new jobs withholding credits – Community colleges do not consistently:

- Require and review documentation from participating businesses to support gross wages, including detailed information needed to verify and recalculate new jobs withholding credits.
- Monitor whether participating businesses are claiming new jobs withholding credits only for employees in the new jobs created under NJTP projects. Also, we identified, and [the Iowa Department of] Revenue staff we spoke with agreed, in some instances amounts of

new jobs withholding tax remitted to community colleges are based on 1.5% of gross payroll for all of the participating businesses' employees, which are subsequently claimed in withholding tax returns, rather than on 1.5% of gross payroll for employees only in the new jobs created. This does not comply with NJTP requirements contained in the Code and the NJTP agreements.

It is important sufficient monitoring and recalculation procedures be consistently completed by community colleges to ensure participating businesses do not receive more new jobs withholding credits than is appropriate under the NJTP agreements.

Timing of new jobs withholding tax remitted – [Iowa Department of] Revenue staff we spoke with mentioned, and we identified examples of, some community colleges allow participating businesses to slip into arrears on remitting withholding tax related to new jobs and later allow the participating businesses to “catch up” by subsequently remitting higher withholding tax amounts to make up for amounts which should have been remitted previously. Revenue staff believes this practice makes it extremely difficult to track and monitor the appropriateness and accuracy of new jobs withholding credits claimed on withholding credits claimed on withholding tax returns submitted by participating businesses. In order for tracking and monitoring to be more effective, it is important community colleges do not allow participating businesses to slip into arrears and later catch up on withholding tax remitted for the new jobs.

2009 Recommendation – The community colleges should consistently:

- Develop and complete specific comprehensive monitoring procedures each fiscal year to determine participating businesses' compliance with NJTP requirements.
- Complete on-site monitoring visits of participating businesses each fiscal year to determine compliance with NJTP requirements as required by the administrative rules.
- Obtain and review financial records of participating businesses during on-site visits to determine financial compliance, such as reviewing allocation and use of funds, including but not limited to:
 - Requiring supporting documentation be maintained by participating businesses, including sufficient detail to allow community colleges to identify which NJTP projects funds should be allocated to.
 - Determining whether participating businesses' expenditures submitted for reimbursement are appropriate under the NJTP agreement budget.
- Continue and improve efforts to ensure obligations under NJTP agreements are met by participating businesses to help mitigate defaults. IEDA may be able to assist with any necessary negotiations to ensure obligations are met if promptly notified of defaults.
- Educate participating businesses on how to properly calculate new jobs withholdings.
- Not allow participating businesses to slip into arrears and catch up on amounts remitted for new jobs withholdings. This practice makes it extremely difficult for community colleges and Revenue to track and monitor the appropriateness and accuracy of withholding amounts remitted and reported.
- Require participating businesses to submit supporting documentation including, but not limited to, a listing of eligible employee names, federal identification numbers and associated gross wages as related to the new jobs withholding tax remitted. Supporting documentation should:
 - a. Include appropriate employee information for new jobs created under projects to allow verification only eligible employees participating in new jobs created under NJTP agreements are part of the calculation of new jobs withholding tax.
 - b. Be specific enough for each NJTP agreement to allow recalculation of new jobs withholding tax remitted to determine whether the correct amount was remitted.

- Review and recalculate amounts of new jobs withholding credits to determine whether amounts claimed and remitted are accurate and appropriate.
- Monitor and evaluate whether new job creation goals for each project under NJTP agreements have been met and compare planned new jobs to actual jobs created and whether the types of jobs created are appropriate under NJTP agreements.
- In conjunction with IEDA, take proactive steps to help improve the success of NJTP projects to help ensure State funds are effectively used to create new jobs as planned.

Status – Resolved.

While we did not perform on-site testing at companies to validate the monitoring done by the community colleges, based on our testing of monitoring checklists and other supporting documents at selected colleges, the colleges are completing monitoring of the various businesses and verifying the planned jobs are being created. The monitoring performed includes:

- a review of financial information,
- a review of supporting documents to ensure the amount requested for training follows the terms of the agreement,
- the calculation of the withholdings tax credits remitted to the college are correct and based on payroll reports and only include the jobs covered by the agreement,
- a comparison of withholdings remitted to the college to the training certificate amount the company is required to repay under the agreement to ensure the project is on track and not falling into arrears, and
- completion of on-site monitoring checklists during the training period.

2009 FINDING G – Community colleges’ reporting needs improvement

We reviewed community colleges’ compliance with certain NJTP reporting requirements contained in the *Code of Iowa* and administrative rules and identified community colleges do not:

- Promptly notify IEDA of defaults by participating businesses under NJTP agreements as required by the administrative rules. At least 41 defaults have not been reported to IEDA by the community colleges.
- Report a specific description of the training conducted and median wage of employees in the new jobs in each project under NJTP agreements as required by section 403.21 of the *Code* to IEDA since the items are not included in IEDA’s electronic form.
- Consistently report to [the Iowa Department of] Revenue accurate amounts of new jobs withholding credits based on remittances by participating businesses and do not always report the information on a timely basis as required by section 260E.5 of the *Code*.
- Specifically report verifiable amounts of excess funds collected or sufficient information to IEDA to allow identification of:
 - Whether funds were collected in excess of amounts necessary to pay certificates,
 - The composition of any excess funds, such as withholding tax and property tax, and
 - Whether excess funds have been appropriately remitted to the State or counties.

Based on information currently reported by community colleges to IEDA, it is not possible to determine whether excess funds are collected and the uses of any excess funds. This further emphasizes the need for withholding tax equal to the new jobs withholding credits be submitted to [the Iowa Department of] Revenue for verification of appropriateness and then be transferred to community colleges as appropriate, as summarized in the **Items for Further Consideration** section of [the 2009] report.

2009 Recommendation – The community colleges should:

- Consistently comply with reporting of NJTP default, agreement activity and new jobs withholding credits requirements contained in the *Code of Iowa* and administrative rules, as appropriate.
- Report verified amounts of excess funds collected to IEDA, including the disposition of any excess funds. The information reported needs to be sufficient to allow specific identification of the composition of any excess funds collected and appropriate disposition of excess funds.

Status – Resolved.

Based on our review of the updated IEDA database and attachments uploaded by the community colleges, the colleges are now reporting:

- description of the training conducted and median wages of employees,
- amounts of new jobs withholding credits based on remittances by participating businesses,
- reporting how excess funds collected are being used, and
- projects in default.

2009 FINDING H - Information reported by community colleges is not verified by IEDA

IEDA does not verify whether NJTP information reported by community colleges each fiscal year is appropriate and accurate. Therefore, IEDA does not know whether information reported by community colleges is valid and reliable. Valid and reliable data is essential for appropriate evaluation and reporting of NJTP activity. IEDA believes verification of data reported by community colleges is beyond their coordinating responsibilities required by the *Code*.

2009 Recommendation – IEDA should verify, review and analyze NJTP information reported by community colleges for inclusion in the NJTP database each fiscal year and follow-up on information which is not accurate or does not appear to be appropriate. It is important to ensure data used by IEDA to monitor NJTP and report to the Governor and General Assembly each year is appropriate, accurate and reliable to allow more meaningful and accurate assessments of NJTP success.

Status – Resolved.

Based on the information recorded in the IEDA database and monitoring checklists for selected colleges, IEDA staff verifies the information submitted by the community colleges and requests additional clarification for information which is not accurate or differs from expectations. IEDA staff requires the community colleges to submit/upload copies of all certificate agreements, NJTP agreements, annual financial audits, and other supporting information. IEDA staff compare the information submitted to the supporting documentation to ensure the data is accurate. IEDA staff also verify selected information during annual on-site visits to the community colleges.

2009 FINDING I – Other NJTP database concerns

We summarized and analyzed various information contained in the NJTP database and compared the information to other related reports, as appropriate. As a result, we identified several database errors, data that does not seem reasonable, and other concerns regarding the validity and reliability of data reported by community colleges. For example, we identified:

Errors and data that is not reasonable

- Some of the new job numbers reported to IEDA by IVCCD [Iowa Valley Community College District], ICCC [Iowa Central Community College], Iowa Western Community College (IWCC), Southwestern Iowa Community College (SWICC) and SEICC [South East Iowa Community

College] include errors. We informed IEDA staff of the probable errors and they agree job information reported by the 5 community colleges must not be accurate.

- A total combined difference of \$13.1 million for 12 community colleges with differences in total principal balances outstanding for training certificates sold when comparing amounts included in the NJTP database and amounts reported in the 15 community colleges' audit reports. Only 3 community colleges, NIACC [North Iowa Area Community College], WITCC [Western Iowa Tech Community College] and IHCC [Indian Hills Community College], include principal balances outstanding which agree between the two sources of information.

Required items not reported – The electronic form created by IEDA for community colleges' reporting of NJTP activity each fiscal year does not include, and community colleges have not otherwise reported, the following items each fiscal year, as required by *Code section 403.21*:

- Specific description of training conducted, and
- Median wage of employees in the new jobs in each project.

Definitions not clear – IEDA's definitions for withholdings, total withholdings, property tax and total property tax may not be clear enough to ensure accurate reporting by community colleges since community colleges have not consistently interpreted and reported information as intended by IEDA. We identified several examples of inconsistent information in the NJTP database, including reporting amounts for a current fiscal year while also reporting \$0 for total since inception and vice versa, for various categories within the database.

The examples of errors, data that is not reasonable and other concerns identified and summarized in this Finding further emphasize the importance and need for IEDA to verify the appropriateness and accuracy of information reported by community colleges as recommended in **Finding H**. IEDA does not have reasonable assurance any information reported by community colleges each fiscal year is appropriate and accurate. Also, we did not review and verify 100% of information in the NJTP database, so it is probable more errors exist.

2009 Recommendation – IEDA should obtain and review:

- Additional detailed information related to planned, highest number and actual new jobs for each NJTP agreement entered into by the community colleges to identify and correct any errors in information reported by the community colleges.
- Copies of audit reports for all 15 community colleges each fiscal year to review NJTP information for appropriateness and to identify areas of concern needing additional follow up and correction. NJTP information reported in the audit reports should be compared to verified information included in the NJTP database and differences identified should be appropriately resolved.
- Financial records of the community colleges to identify whether excess funds remain under NJTP agreements for which training certificates have been paid and whether relevant excess funds have been remitted to the State or counties, as appropriate.

Also, IEDA should:

- Review, clarify, and revise NJTP database field definitions and associated electronic reporting forms to provide community colleges with clearer definitions to help ensure consistent and appropriate reporting.
- Revise the electronic form to include fields for specific description of training conducted and median wage of employees in the new jobs in each project.
- Require community colleges to report the composition and disposition of any excess funds.
- Periodically communicate written guidance to community colleges to stress the importance of accurate and consistent reporting of all NJTP information each fiscal year, including

examples of proper reporting based on improved database definitions and revised electronic forms.

Status – Resolved.

IEDA implemented a new NJTP database during the second quarter of fiscal year 2012. The new database includes the number of planned, highest number, and actual number of new jobs; detailed budgeted and actual financial information; and information regarding the certificates issued, including the issuance costs, median wages, and administrative fees retained by the colleges and IEDA. Based on testing of selected information recorded in the IEDA database, the database includes the necessary information needed to track NJTP projects and evaluate the status of a project.

The schedule of NJTP projects is no longer a required schedule in the community colleges' annual financial audit. As a result, IEDA can no longer rely on the annual audit reports for monitoring. IEDA staff now review the annual audit reports for the community colleges for noncompliance findings related to the colleges' administration of NJTP and compare the financial information reported in the audit reports for certificates issued to the information reported to IEDA by the community colleges. IEDA also now requires the community colleges to report excess funds for each certificate that has been paid.

IEDA has also updated the definitions for the various fields in the database. The community colleges are required to electronically submit information related the project budgets, certificate issuance, training plans, jobs to be created, base employment, quarterly reports on the amount of withholding collected and the number of jobs created, and any instances of default.

2009 FINDING J - IEDA monitoring needs to be expanded and improved

We reviewed IEDA's monitoring procedures and compliance with relevant *Code of Iowa* sections and administrative rules. As a result, we identified:

Community colleges' compliance with administrative rules not monitored – IEDA does not monitor whether community colleges comply with NJTP administrative rules. For example, community colleges are required by administrative rules to promptly notify IEDA of any defaults associated with participating businesses. However, according to IEDA staff we spoke with, community colleges did not promptly notify IEDA of any defaults and IEDA was not aware of at least 41 defaults by participating businesses on projects under NJTP agreements.

Also, IEDA has not provided community colleges with guidance regarding the extent and types of monitoring of participating businesses which should be completed, including on-site visits and review of information received from participating businesses. IEDA is not currently required to provide additional guidance, but it may enhance the monitoring completed by community colleges. Findings identified regarding community colleges' monitoring are summarized in **Finding F**.

Lack of monitoring community colleges' administrative allowance rates – IEDA does not complete comprehensive analysis and monitoring of whether actual administrative allowance rates for completed projects are more or less than approved administrative allowance rates for community colleges each fiscal year. Based on a detailed analysis, we identified:

- The average actual administrative allowance rate was 2% less than the average of the approved maximum administrative allowance rates for community colleges during fiscal years 2002 through 2006.
- More than \$35,500 in excess of approved allowable rates for fiscal year 2006 actual administrative costs was charged by 5 community colleges on 13 NJTP projects. The highest actual administrative rate identified during fiscal year 2006 is 31.30% for a project

at Indian Hills Community College and the next highest rate is 29.45% for a project at DMACC [Des Moines Area Community College]. Allowable rates were exceeded by a range of .01% to 13.33% by the 5 community colleges.

Also, as reported in **Table 2** [of the 2009 report], the average actual administrative allowance rate was 2.6% less than the average of the approved maximum administrative allowance rate for community colleges during fiscal years 2004 through 2008.

Community colleges' administrative allowance rates may not be appropriate – Community colleges' use of a straight percentage, as determined by DE [the Iowa Department of Education] and approved by IEDA, to calculate total NJTP administrative funds each fiscal year may not be reasonable. Currently, the amount of administrative funds allowed for community colleges increases in direct proportion to the amount of training certificates sold. The average approved maximum administrative allowance rate was 18.14% and a total of more than \$38.4 million of administrative costs was reported for all community colleges combined fiscal years 2004 through 2008. It does not seem reasonable the duties involved with projects under each NJTP agreement increase in proportion to the amount of funding for each agreement. Many administrative duties performed by community colleges do not vary based on increased quantities of training certificates and higher dollar amounts of training certificates sold.

Lack of monitoring and analysis of new jobs created – IEDA does not:

- Monitor whether the number of new jobs created by projects is reasonable and new jobs created include the types of jobs specified in the NJTP agreements.
- Complete tracking and analysis of new jobs created and calculate new jobs creation success rates each fiscal year and following completion of training under NJTP agreements to help evaluate the success of NJTP.

It is essential IEDA summarize, analyze and evaluate the actual number of new jobs created compared to new jobs planned for all completed projects for each community college to determine whether the NJTP purpose has been met and the extent of success.

IEDA responsibilities for NJTP – We spoke with various IEDA staff to discuss their role and responsibilities for NJTP. IEDA staff we spoke with believe they are fulfilling the *Code* requirements for coordinating NJTP. We also discussed whether IEDA should take a more active role in monitoring NJTP activity at community colleges to ensure information reported by community colleges is appropriate and accurate. IEDA staff believes section 260E.7 of the *Code of Iowa* would need to be revised to allow an increase in responsibilities, such as verifying information reported by community colleges and monitoring whether community colleges comply with NJTP requirements.

2009 Recommendation – IEDA should:

- Take a more active role in coordinating, monitoring and ensuring compliance of community colleges with NJTP requirements contained in the *Code of Iowa* and administrative rules by:
- Periodically emphasizing existing monitoring requirements to community colleges.
 - Working with community colleges to develop more thorough and effective monitoring procedures to be completed each fiscal year, including on-site monitoring visits. Based on results of a collaborative effort, IEDA should develop and provide additional guidance to provide a uniform approach and understanding of NJTP to enhance monitoring by community colleges.

For example, IEDA should develop and provide to community colleges an on-site monitoring procedures guide, including descriptions and examples regarding the types and extent of comprehensive procedures to be completed each fiscal year to ensure participating businesses' compliance with *Code of Iowa* requirements, administrative

rules, NJTP agreements and associated training plans. This would help improve the consistency and effectiveness of community colleges' monitoring.

- Developing and adopting administrative rules specific due diligence procedures required of community colleges for monitoring and managing defaults on NJTP agreements by participating businesses.
- Consult with the Governor's Office and the General Assembly and pursue legislative changes necessary to clearly define and increase IEDA's oversight responsibilities for NJTP, including, but not limited to:
 - Requiring IEDA to verify information reported by community colleges each fiscal year,
 - Monitoring whether community colleges comply with NJTP requirements and agreements, and
 - Evaluating and reporting on NJTP success overall and for each community college, including new job creation success rates.
- Complete an analysis each fiscal year of all community colleges' completed projects and evaluate overall NJTP success. Based on evaluation results, recommendations to improve the effectiveness and success of NJTP should be developed and communicated, as appropriate, to community colleges. To help evaluate NJTP success, IEDA should:
 - Develop a method and process in conjunction with community colleges to periodically calculate and analyze new job creation success rates based on a comparison of actual new jobs created to new jobs planned to monitor the progress and success of each NJTP project.
 - Review community colleges' audit reports each fiscal year to help identify and monitor defaults and other NJTP activity where improvement is needed. Also, IEDA should follow-up to determine whether NJTP findings reported in audit reports are appropriately resolved by community colleges.
- In conjunction with DE, analyze and monitor whether actual administrative allowance rates are more or less than approved administrative allowance rates for community colleges each fiscal year. If approved rates are exceeded by community colleges, IEDA should ensure sufficient documentation was maintained to support administrative costs charged and review the appropriateness of the costs charged. If actual administrative rates of community colleges are consistently lower than approved rates in future fiscal years, administrative allowance rates should be reduced, as appropriate.

Status – Resolved.

Based on observation of IEDA monitoring files, completed monitoring checklists, and information recorded in the database, IEDA has implemented new monitoring procedures including annual on-site monitoring and a checklist of criteria to be addressed during onsite exams. The monitoring checklist has been made available to the community colleges to help enhance the community colleges' monitoring of NJTP projects. The on-site monitoring checklist includes:

- a review of all certificate information including how the funds were used,
- a review of the eligibility of the business,
- a review of the contract for compliance with NJTP requirements,
- a review of the community colleges' monitoring of the project(s),
- a review of the college's financial audit report,
- a comparison of the information uploaded to IEDA's database to source documents,
- a comparison of pledged jobs to actual jobs, and
- testing of withholding taxes remitted to the college.

2009 FINDING K – IEDA annual report needs to be based on verified information

The annual report prepared by IEDA does not include sufficient information to evaluate whether the purpose of NJTP has been met. Also, the annual report does not include an evaluation of overall and individual community colleges' success in meeting the NJTP purpose and goals. While information reported by IEDA in the annual report is important, it does not include the actual number of new jobs created for completed projects, which is necessary for calculating and evaluating NJTP success.

However, information used to calculate and evaluate NJTP success must be valid and reliable to be meaningful. Therefore, it is essential information reported by community colleges and used to evaluate NJTP success be verified.

2009 Recommendation – IEDA should:

- Ensure data reported by community colleges and included in the NJTP database is accurate prior to reporting information to the General Assembly in the “Business Training Services Annual Report”.
- Analyze, evaluate and report new job creation success rates for all completed projects based on verified information and explore and consider other factors impacting new job creation success rates in calculating and reporting new job creation success rates to help assess whether the legislative intent of the program is met. Also, factors such as job displacement, new jobs resulting from companies relocating from other states and whether the same new jobs reported by community colleges for NJTP have been reported for other similar programs should be considered while analyzing and evaluating NJTP.

Status – Resolved.

Although the *Code* no longer includes a specific requirement for an annual report, IEDA includes information related to NJTP in IEDA's Annual report. IEDA has also maintained the requirement in its administrative rules. IEDA also generates various reports requested by interested parties from its database which shows the number of jobs pledged, number of jobs created, how certificate funds were expended, and other information related to the projects.

Based on a review of the database and other information submitted by the colleges, IEDA is ensuring the data provided by the colleges is accurate.

2009 FINDING L - Definition of a project and addendum

We spoke with IEDA staff to discuss whether the practice of establishing addendums to original NJTP agreements meets the definition of a new project or is just an extension of the original project under existing NJTP agreements. IEDA staff agrees the definition of a project contained in section 260E.2 of the *Code of Iowa* is not clear regarding definition of projects and whether addendums establish new projects or are additions to existing agreements.

Addendums to NJTP agreements reviewed at IVCCD [Iowa Valley Community College District] and NEICC [Northeast Iowa Community College] were generally not as specific as the original NJTP agreements regarding funding sources to be used for repayment of training certificates. Also, we identified some examples of community colleges continuing to receive and use incremental property tax as a funding source under NJTP agreements, even when it was not specifically included in the addendums.

2009 Recommendation – IEDA should:

- Revise NJTP administrative rules to more specifically define a project, including whether an addendum establishes a new project or is an extension of an existing project.

- Provide more specific guidance to community colleges regarding the types and extent of funding sources which may be used to provide for repayment of certificated and other NJTP costs.
- Require community colleges to clearly define in NJTP agreements and addendums the appropriate use, restrictions and disposition of any excess withholding tax and incremental property tax collected.

Status – Resolved.

Based on a review of selected NJTP agreements, IEDA has clarified the administrative rules and no longer allows addendums. As a result of changes made by IEDA, agreements must be finalized within 2 years after the preliminary agreement is reached. Additional jobs cannot be added to the preliminary agreement through an addendum. If the company wishes to add more jobs, they must enter into a new agreement.

Report on the Review of the
Iowa Industrial New Jobs Training Program

Staff

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