



Workforce Development Training Programs

The Department of Economic Development (DED) cooperates with the Department of Workforce Development (IWD), community colleges, the Department of Education, businesses, and local agencies and organizations for development and coordination of workforce training programs as authorized by:

- Code Chapter 260C – Workforce Training and Economic Development Fund
- Code Chapter 260E – Industrial New Jobs Training
- Code Chapter 260F – Three Jobs Training Programs
- Code Chapter 260G – Accelerated Career Education Program
- Federal Community Development Block Grant (CDBG) Program - Career Link Program

Workforce Training Goals

- Promote workforce training programs.
- Work with businesses to meet the needs for qualified labor.
- Assist workers to develop marketable skills and increase earning power.
- Overcome employment obstacles for employers and employees.
- Bring workers that are not participating in the workforce into productive employment and retain skilled workers in Iowa while reducing the out-migration of the labor force.

Covered Costs

Costs typically covered by workforce training programs include:

- Vocational and skill assessment testing.
- Job-related instruction.
- Basic adult education.
- Training services of a community college, other qualified educational institution, or private trainer.
- Curriculum development.
- Training equipment, software, materials, supplies, training-related travel and meal costs, college tuition, books, and fees.

Eligible Businesses

Eligibility requirements for businesses include:

- The company must be engaged in manufacturing, processing, assembly plants, warehousing, wholesaling or research, or development.
- Retail, health, and professional businesses are not eligible.
- The company must not have closed a facility or reduced their workforce to relocate to another part of the State; be involved in a strike, lockout, or labor dispute; or be providing training for replacement workers.
- The company must have a new position open for the trained employee, or the trained employee must be currently employed by the company.
- The business must be an equal opportunity employer.

More Information

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Industrial New Jobs Training Program (260E)

The Industrial New Jobs Training Program provides assistance in meeting training needs for new jobs associated with a company expanding in or relocating to Iowa. It is administered and operated by Iowa's 15 community colleges and promoted by the DED.

Projects are funded by bonds sold by community colleges. Bonds are repaid by diverting withholding tax (1.5% or 3.0% of the new employees' wages) and by diversion of incremental property taxes for new construction.

Because the Program is funded by bonding repaid with tax diversions, there is no direct allocation or appropriation for the current fiscal year.

Iowa Jobs Training Program (260F)

The Workforce Development Fund is the primary funding source for Chapter 260F programs and receives funding from the "New Jobs Credit from Withholding" mechanism under Chapter 260E, Code of Iowa.

For the 10 years after the training obligation has been paid off, an amount equal to 1.5% of gross wages of the new jobs created under the Program are deposited in the Workforce Development Fund to support the Chapter 260F Programs. Maximum annual revenues for the Fund are \$4.0 million. An annual allocation of \$3.0 million for job training is required. Of this total, \$300,000 is allocated for the Business Network Training Program and \$1.0 million for the High Technology Apprenticeship Program.

The Program is administered by the DED, and training services are provided by the 15 community colleges. Current employees receive job training services to enhance skills, job performance, and earning capacity. Business participants may be a single business or a consortium of two or more businesses.

Business Network Training Program (260F)

The Business Network Training Program upgrades workforce skills of a business network to compete with workforces outside the State of Iowa. A business network is a group of five or more businesses in two or more community college districts with common training and workforce needs. The Program provides customized curriculum to train current employees of businesses that have customers outside the State of Iowa.

The Program funded one project for \$144,799 in FY 2010 and \$300,000 is allocated for FY 2011.

High Technology Apprenticeship Program (260F.6B)

The High Technology Apprenticeship Program is administered by the DED and operated by the community colleges. Community colleges with high technology apprenticeship programs receive funding based on Program contact hours during the prior fiscal year as determined by the Department of Education.

Accelerated Career Education (ACE) Program (260G)

The ACE Program provides training at community colleges for highly skilled jobs through agreements with employers. The appropriate community college develops a program and expands capacity for related career, vocational, or technical training leading to a diploma or certification.

The employer pays 20.0% of the Program costs and gives hiring preference to students completing the Program. The students agree to interview for open jobs with the employer. Wages must exceed 200.0% of the federal poverty level. In FY 2010, annual wages were required to exceed \$29,140.

The IWD includes Program participants in a customer tracking system.

The DED develops administrative rules to establish guidelines, application procedures, and evaluation criteria for capital costs and program job credit components for the Program.

Career Link Program

The Career Link Program targets working poor, unemployed, and underemployed Iowans, including Welfare-to-Work participants, immigrants, and persons with disabilities that earn less than 80.0% of the median family income for the participant's county of residence.

Iowa cities and counties are eligible applicants. The Community Development Block Grant (CDBG) entitlement cities (Cedar Falls, Cedar Rapids, Council Bluffs, Davenport, Des Moines, Dubuque, Iowa City, Sioux City, Ames, and Waterloo) are not eligible to apply for this Program.

Each project is administered by a community college, a business, or other agency that may contract with a training provider.

Businesses participate in curriculum design and commit to hiring Program graduates for higher-skill and higher-wage jobs. The average starting wage must meet or exceed the lesser of 100.0% of the average county wage or 100.0% of the average regional wage.

The Program is funded through the federal Department of Housing and Urban Development's (HUD) CDBG Program, the payer of last resort. In addition to training, the Program pays for child care and transportation during the training period.

The Career Link Program did not receive any funding requests in FY 2010. Funding for the Career Link Program is available, and the total amount obligated for the Program will be determined based on the demand.

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Workforce Training and Economic Development Fund (260C.18A)

In FY 2010, \$11.5 million was allocated to the community colleges' Workforce Training and Economic Development Fund. Of this amount, \$7.0 million was allocated from the Iowa Values Fund, \$2.0 million was allocated from the Rebuild Iowa Infrastructure Fund (RIIF), and \$2.5 million was allocated from the Iowa Power fund.

The funds are distributed to the colleges based upon the Department of Education's State General Aid Formula provided in Code Section 260C.18C.

The funds may be used for the following purposes, and the FY 2010 allocation is as follows:

- Accelerated Career Education programs (260G) – 2.4%
- Iowa Jobs Training projects (260F) – 16.5%
- Career Academy Programs (260C.18A) – 19.6%
- Credit Programs for Vocational and Technical Training Development and Support (260C.1.2) – 45.7%
- General Non-Credit In-service Training and Retraining Programs (260C.1.3) – 15.1%
- Carryforward to the next fiscal year – 0.7%.

For FY 2011, \$9.8 million is available to the colleges. Of that amount, \$2.5 million was appropriated through the Iowa Power Fund, and is required to be expended on activities associated with the development and expansion of energy industry areas and targeted industries.

The Workforce Training and Economic Development Fund requires at least 70.0% of the funding to be used on activities that serve the three industry clusters of advanced manufacturing, information technology and insurance, and biosciences (biotechnology, healthcare, and nursing care technology).

The FY 2010 planned expenditures by targeted industry cluster are as follows:

- Advanced Manufacturing – 31.6%
- Information Technology – 3.6%
- Biotechnology – 7.5%
- Nursing – 9.6%
- Renewable Energy – 8.5%
- Combination of Targeted Areas – 24.9%
- Non-Targeted Areas – 13.7%
- Carried forward to FY 2012 – 0.6%

FY 2009 Participants, Awards, and Persons Trained

(Dollars in Millions)

Program	Business Participants	Awards	Persons Trained
Industrial New Jobs Training Program (260E)	128	\$ 50.8	6,088
Iowa Jobs Training Program (260F)	219	2.8	7,089
High Technology Apprenticeship Program (260F.6B)	23	1.0	1,607
Accelerated Career Education (ACE) Program (260G)	233	5.9	1,097
	<u>603</u>	<u>\$ 60.5</u>	<u>15,881</u>