
FISCAL TOPICS

Fiscal Services Division

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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Workforce Development Fund

Purpose

The Workforce Development Fund (WDF) was created with the enactment of 1995 Iowa Acts, chapter [184](#) (Workforce Development Fund Act). The purpose of the WDF is to provide revenue for programs that address Iowa's workforce development needs. The WDF is administered by the Iowa Department of Workforce Development (IWD), and training services are provided by the 15 community colleges. The General Assembly appropriates funds from the WDF Account, to the WDF. Moneys in the WDF do not revert to the General Fund at the close of the fiscal year.

Moneys appropriated to the WDF are to be used for the following programs and purposes:

- Jobs training projects under Iowa Code chapter [260F](#).
- Apprenticeship programs under Iowa Code section [260C.44](#), including new or statewide building trades apprenticeship programs.
- Administrative costs for workforce development programs. A portion of these funds may be used to support efforts by the community colleges to provide workforce services to Iowa employers.

The moneys in the WDF are allocated as follows:

- \$3.0 million for the Iowa Job Training Program established in Iowa Code section [260F.6](#).
- \$1.0 million for the High Technology Apprenticeship Program established in Iowa Code section [260F.6B](#).

Funding

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.2. 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. Initially, the Program had no cap on the amount of funds diverted. However, in 1996, the General Assembly began placing a cap on the Program in Iowa Code section 84F.3. The cap has been set as follows:

- A cap of \$10.0 million in 1996 Iowa Acts, chapter [1180](#) (Economic Development Programs Act).
- A cap of \$8.0 million in 2000 Iowa Acts, chapter [1230](#) (FY 2001 Economic Development Appropriations Act).
- A cap of \$4.0 million in 2001 Iowa Acts, chapter [188](#) (FY 2002 Economic Development Appropriations Act).
- A cap for one year at \$5.8 million for 2015 in 2014 Iowa Acts, chapter [1132](#) (FY 2015 Economic Development Appropriations Act).
- A cap of \$6.0 million in 2014 Iowa Acts, chapter 1132.
- A cap of \$7.8 million in 2021 Iowa Acts, chapter [171](#) (FY 2022 Economic Development Appropriations Act).

More Information

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Related Statutes and Administrative Rules

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

Iowa Code section [422.16A](#)

Iowa Administrative Code [877—18](#)

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