

Community Colleges for Iowa
Iowa Industrial New Jobs Training Program (260E)
HF 2799 Interim Study Committee

Executive Summary

This document is intended to inform the questions the interim study committee is charged with considering by summarizing available evidence about the 260E program, identifying what the evidence shows, and noting where additional information or policy decisions may be needed.

- **260E remains a job-creation and economic-development tool.** Its central purpose is to help new or expanding businesses train workers for genuinely new jobs, not to fund general replacement hiring or incumbent-worker training.¹
- **The program has supported substantial employment.** Statewide records for FY2017–FY2026 report 795 contracts, 38,182 pledged jobs, and 35,125 filled jobs—about 92 percent of the commitment at a cost of \$4,700 per job on average.²
- **Available research indicates significant economic value, but results depend on assumptions.** A 2020 study estimated \$14.7 billion in added income and \$1.272 billion in net added state and local tax revenue for FY2013–FY2018; its job and impact estimates relied partly on employer-reported attribution rather than a comparison-group design.³
- **Training is employer-driven and delivered through multiple channels.** Employers identify needs and approve training, while instruction occurs through on-the-job learning, employer trainers, outside contractors, and community colleges.
- **Many supported skills are transferable.** Leadership, communication, technology, cybersecurity, safety, continuous improvement, project management, and recognized technical credentials align with needs reported across Iowa employers; proprietary training may be less portable.⁴
- **The program serves Iowa’s core traded industries, but current workforce needs are broader.** Manufacturing, food processing, agribusiness, distribution, and related sectors dominate participation, while health care, replacement demand, retention, and incumbent-worker upskilling may require complementary or expanded approaches.
- **260E also helps sustain incumbent-worker training through 260F.** Revenue from 260E supports 260F, which is funded at approximately \$4.75 million annually despite employer demand that exceeds available resources. Changes to 260E should account for this connection.⁵
- **Oversight includes meaningful safeguards, but administration is complex.** Funds are tied to eligible training and actual job creation, unused resources can support bond repayment, and reimbursements may be restricted when requirements are not met. The distributed system also requires consistent procedures, timely data exchange, and sufficient college capacity.

Questions from the Statute for the Interim Study Committee

1. The original objectives of the program, and an evaluation of whether the objectives are aligned with the current workforce needs in the state.⁶

Chapter 260E, enacted as the Iowa Industrial New Jobs Training Act, defines the program narrowly around job creation. The code describes a new jobs training program as a project established by a community college to create jobs by providing education and training for workers in new jobs at a new or expanding industry within the college's merged area. It defines a "new job" as a position in a new or expanding industry and specifically excludes recalled workers, replacement jobs, and other jobs that previously existed in an Iowa industry.⁷

The original code also limits the types of businesses the program is designed to serve. "Industry" includes businesses engaged in manufacturing, processing, assembling products, research and development, or services in interstate commerce, while excluding retail, health, and professional services. It also prevents a business from qualifying by closing or substantially reducing a similar operation in one part of Iowa and relocating it elsewhere in the state.⁸ Together, these provisions show that 260E was designed as an economic-development incentive: it uses community-college-delivered training to encourage genuinely new employment tied to a business locating or expanding in Iowa, rather than to support general incumbent-worker training or replacement hiring.

A 2020 economic-value study described the program in operation as supporting business attraction and expansion, addressing skills gaps, and connecting employers with customized training. It examined 542 businesses participating from FY 2013 through FY 2018: 471 expansion businesses already operating in Iowa and 71 attraction businesses that originated outside the state. This provides evidence that the program was functioning primarily as an economic-development and business-growth tool during that period.⁹

That original purpose remains relevant, particularly when a company must hire and train a significant number of employees before the resulting payroll generates revenue. However, Iowa's workforce challenges now also include worker shortages, rapid changes in required skills, business retention, and demand in sectors that the original statute excludes. Expanding 260E to address those needs would therefore represent more than a technical adjustment; it would broaden the program beyond its original job-creation and economic-development purpose and would require reconsidering the definitions of eligible industry, new job, and program.

2. The number of jobs created as a result of the program.

Project agreements identify the number of jobs a business expects to create and the base employment it agrees to maintain.

Statewide records report that 798 260E contracts started during FY2017-FY2026.¹⁰

- 38,312 jobs were pledged
- 35,254 jobs were filled
- Employers filled about 92% of pledged jobs overall during this period

The 2020 economic-value study provides a more detailed historical estimate for FY 2013 through FY 2018. It identified 29,367 gross jobs by FY 2018 among 542 participating businesses. Based on an employer survey indicating that approximately 71 percent of the positions would not have been created without 260E, the study applied a 71 percent attribution factor and estimated 20,808 net jobs attributable to the program in FY 2018. The annual figures in the study are cumulative: a job existing in more than one year appears in each applicable annual total and therefore cannot be summed across years.¹¹

These figures show the scale of commitment and estimated program-supported employment, but they use different periods, definitions, and methods. The 2020 study's net estimate depends on participating employers' assessment of what would have happened without the program rather than on an experimental or matched comparison design. The 2020 State Auditor review separately reported pledged-job realization of 79.3 percent in 2018 and 53 percent in 2019. Across those two years, employers created 1,452 fewer jobs than the 11,032 jobs pledged.¹²

A gap between pledged and filled jobs does not necessarily mean the full project amount was disbursed or that the bond obligation was left unsupported. Colleges work with employers to set pledges they are confident can be achieved and may divide a large expansion into a series of smaller projects as hiring milestones are reached. Colleges may also establish hiring timeframes and limit access to project funds in proportion to actual hiring—for example, releasing no more than 25 percent of project funds when 25 percent of pledged jobs have been filled. These practices reduce exposure when business conditions change because of customer losses, economic or industry slowdowns, supply-chain disruptions, ownership changes, revised investment plans, closure, or relocation.

3. Wage increases for participants in the program prior to and after participating in the program.

Project records include expected starting wages for new positions, and starting wages help determine aspects of project eligibility and award size. A 2011 Iowa Workforce Development pilot study provides limited longitudinal evidence of wage growth. The study matched Kirkwood Community College 260E participant records with Iowa unemployment-insurance wage records and followed four employer projects—three in manufacturing and one in finance and insurance—from the early 2000s through 2009. Across the four projects, median wages at the sponsoring employers increased by 23 percent to 40 percent from 2002 to 2009, and the participant groups generated more than \$97 million in cumulative Iowa wages during the study period.

The pilot demonstrates that participant-level wage progression can be measured through longitudinal record matching, but its findings should not be treated as a statewide estimate. It covered only four projects and did not isolate the extent to which wage increases resulted from 260E training rather than tenure, promotions, inflation, or other factors. No statewide analysis has been identified that compares participants' wages before training, at placement, and after participation. A complete statewide assessment would require matching participant records with unemployment-insurance wage records or another reliable longitudinal wage source, with appropriate privacy protections, and examining results by occupation, region, employer, and type and duration of training.

4. Employee retention rates for employers participating in the program.

Retention is important to both employers and workers, but no consistent statewide measure currently shows whether participants remain with the original employer, continue working in the same field, or remain employed in Iowa. The program was not originally designed as a retention program and if that is to be the focus, new parameter and data collection would need to be put into place.

Example of available evidence: A 2011 Iowa Workforce Development pilot study matched Kirkwood Community College 260E participant records with Iowa unemployment-insurance wage records and followed four employer projects—three in manufacturing and one in finance and insurance—from the early 2000s through 2009.

- Retention with the original employer varied: 44 of 50 workers remained with one manufacturing employer after seven years, compared with 9 of 60 and 18 of 48 at two other manufacturers; 89 of 220 remained with the finance and insurance employer.
- Many workers who left the sponsoring employer were still employed elsewhere in Iowa.
- Across the four projects, median wages at the sponsoring employers rose 23 percent to 40 percent from 2002 to 2009, and the report documented more than \$97 million in cumulative Iowa wages for the participant groups over the study period.
- The findings show that longitudinal record matching can measure retention, continued Iowa employment, and wage progression.¹³

5. The financial impact of the program, including an evaluation of the cost-effectiveness of the program, a comparison of state funding versus economic output and job creation, and an assessment of the return on investment for the state and businesses that participate in the program.

Available records can show awards, project costs, bond obligations, withholding used for repayment, and employer contributions. Statewide records report approximately \$1.333 billion awarded between FY 1983 and FY 2024, including \$24.05 million in FY 2024. These figures describe the scale of program activity but do not, by themselves, establish the net public cost or return.

The attached 2020 economic-value report provides the most developed analysis of the program's economic impact. It examined 542 businesses participating from FY 2013 through FY 2018 and asked how Iowa's economic activity would have differed if 260E had not existed. The analysis used jobs reported by community colleges, six-digit industry classifications, industry-average earnings and spending patterns, and Emsi's Multi-Regional Social Accounting Matrix to estimate initial, direct, indirect, and induced effects. To avoid treating all participating-business growth as caused by 260E, it applied a 71 percent attribution factor based on an employer survey indicating that approximately 71 percent of the positions would not have been created without the program. It also tested the results using lower and higher attribution assumptions.

Estimated Economic and Fiscal Impact, FY2013-FY2018 Study	
Measure	Estimated present value
Total added income	\$14.7 billion
Labor income	\$7.4 billion
Non-labor income	\$7.3 billion
Sales impact	\$42.9 billion
Net added state and local tax revenue	\$1.272 billion
Payroll-tax withholding used to repay program bonds (subtracted from tax revenue)	\$70.9 million
Added income associated with expansion businesses	\$12.6 billion
Added income associated with businesses attracted to Iowa	\$2.1 billion
Net added tax revenue from expansion businesses	Approximately \$1.1 billion
Net added tax revenue from businesses attracted to Iowa	Approximately \$0.2 billion

The report's sensitivity analysis found that, even if only 35 percent of the jobs were attributed to 260E rather than 71 percent, the estimated present-value impact remained \$7.3 billion in added income and \$0.6 billion in added tax revenue. This provides evidence that the program generated substantial potential economic and fiscal value under a range of assumptions.

The full report, *The Economic Value of the Iowa Industrial New Jobs Training Program at Iowa's Community Colleges* (February 2020), is attached.

6. The quality and relevance of the training programs that are offered, including whether each training program meets industry standards and needs, and whether participants in the training gain necessary skills to succeed in each participant's job.

Training quality and relevance are built through an employer-driven, continuously evaluated process. Community colleges begin with a strategic needs assessment that may include discovery conversations, employer and employee feedback, labor-market and economic data, surveys, site visits, operational observation, and input from subject matter experts. The resulting training plan identifies business objectives, workforce gaps, priorities, delivery methods, instructors, resources, and expected outcomes. Although the agreement provides an initial roadmap, employers continue to identify, prioritize, and approve training as workforce needs change.



Industry alignment is supported by selecting subject matter experts based on their experience and credentials and allowing employers to review and validate instructor qualifications, content, delivery, and expected outcomes. Training may address specialized processes and equipment, process improvement, operational proficiency, diagnostics and troubleshooting, emerging-leader development, communication, conflict management, accountability, and organizational strategy. Where applicable, programs support industry-recognized credentials aligned with national, federal, state, local, industry, and certifying-body requirements.

Participants' progress and the training's workplace value are assessed through employer, participant, and stakeholder feedback; completion and performance information; credentials; productivity and operational outcomes; and adjustments made during implementation. Completed coursework and training activities are documented in community college student record systems, providing participants with an official, verifiable record that can demonstrate workforce skills, professional development, and credential attainment to current or future employers. Together, these practices show a structured approach to relevant, standards-aligned training and continuous improvement.¹⁴ However, the state does not currently aggregate these measures into a consistent statewide quality framework. A statewide review could build on this process by collecting common indicators such as completion, demonstrated skill gains, credentials earned, employer satisfaction, job performance, and the portability of documented learning.

7. The effectiveness of the program in targeting industries with the highest demand for skilled labor.

Over the last decade, 260E has primarily supported Iowa's manufacturing, food processing, agribusiness, and large-scale distribution sectors. The preliminary industry breakdown below shows that manufacturing and industrial companies account for the largest reliably classified group.

The employer table that follows provides examples of the companies receiving the greatest support by job volume. Together, these 10 employers pledged 9,218 jobs and filled 8,952 jobs, or approximately 97.1 percent of the jobs pledged. Five employers filled exactly the number of jobs pledged, two exceeded their pledges, and three—Seaboard Triumph Foods, Hy-Vee, and Tyson Fresh Meats—filled fewer jobs than pledged.

These tables demonstrate that 260E has supported substantial job creation among large employers in sectors central to Iowa's economy. A complete assessment would require comparing participating employers, industries, occupations, locations, wages, and job counts with Iowa's updated statewide and regional high-demand occupation lists and workforce projections. Regional analysis is particularly important because workforce needs vary significantly across Iowa.

Preliminary Industry Breakdown						
Industry classification	Companies by category	Contracts	Jobs pledged	Jobs filled	Recorded spending	Cost per job
Manufacturing and industrial	111	187	10,165	9,953	\$167.9M	\$16,871
Food processing and agribusiness	39	64	8,794	7,919	\$96.9M	\$12,235
Finance, insurance and business services	30	56	2,104	1,911	\$39.1M	\$20,449
Warehousing and distribution	3	13	1,537	1,533	\$27.5M	\$17,934
Technology, R&D and communications	23	43	960	911	\$18.7M	\$20,580
Construction and skilled trades	12	18	928	871	\$22.6M	\$25,930
Transportation and logistics	13	17	690	496	\$5.6M	\$11,343
Chemicals, energy and life sciences	9	13	322	290	\$7.0M	\$24,289
Other	262	387	12,812	11,370	\$186.1M	\$16,365
Total	490 unique	798	38,312	35,254	\$571.4M	—

Employer	Jobs Pledged	Jobs Filled
Seaboard Triumph Foods, LLC	2,276	1,981
Pella Corporation	1,022	1,058
Eagle Grove Cooperative (formerly Prestage Foods of Iowa)	999	999
Hy-Vee, Inc.	927	924
Lennox Industries, Inc.	750	858
BAE Systems Information and Electronic Systems Integration Inc.	750	750
Target Corporation	665	665
Tyson Fresh Meats, Inc.	703	591
Kraft Heinz Foods Company	580	580
Baker Group	546	546

8. Sectors that may require more focus and support from the program.

Some employers in high-demand fields, including health care, are excluded or have limited access under the existing statutory definition of an eligible industry. Iowa workforce analyses also identify localized needs in nursing, skilled trades, advanced manufacturing, and frontline-worker upskilling. In many regions, replacement demand, worker retention, and the need to update incumbent-worker skills may be as significant as the creation of entirely new positions.

260E also contributes to Iowa's broader workforce-training system by generating revenue that supports the 260F Iowa Jobs Training Program. While 260E is focused on training for newly created jobs, 260F helps employers train and upskill incumbent workers. The 260F program is currently funded at approximately \$4.75 million per year, even though employer demand for incumbent-worker training substantially exceeds the available funding. This connection is important when considering changes to 260E because reductions in 260E activity or revenue could also affect the state's capacity to meet growing demand for 260F training.

Determining whether additional sectors require greater support should consider statewide and regional labor demand, job quality, wage levels, projected openings, economic impact, access to other workforce programs, and whether the proposed activity fits 260E's original new-job-creation purpose. Expanding eligibility to excluded sectors or incumbent workers would require a policy decision about whether to broaden 260E or strengthen complementary programs, particularly 260F, that are already designed for those purposes.

9. Gather qualitative data through surveys or interviews with program participants, and identify the strengths and weaknesses of the new jobs training program from the perspective of the participants.

The accounts in the appendix provide qualitative evidence from employers and community college workforce partners, with a limited number of employee observations. Taken together, they identify several recurring strengths while also showing which perspectives and potential weaknesses are not yet systematically documented:

- **Employer perspective—growth and competitiveness:** Employers describe creating skilled jobs, meeting or exceeding hiring targets, expanding Iowa operations, adopting new technology, improving productivity and safety, and remaining competitive.
- **Employer perspective—customization and responsiveness:** Employers value training tailored to their equipment, standards, compliance requirements, leadership needs, onboarding, and changing operations rather than a fixed statewide curriculum.
- **Employee perspective—advancement and skill development:** The available stories include examples of wage increases, internal advancement, leadership development, technical skill gains, recognized or documented learning, improved onboarding, and opportunities to build careers with the participating employer. However, most accounts are reported by employers or colleges rather than directly by employees.

- **Community college and training-partner perspective:** Colleges describe long-term relationships that connect employers with faculty, outside experts, specialized facilities, customized curricula, train-the-trainer programs, and multiple workforce resources. These partnerships can also build an employer's internal training capacity and extend expertise to workers beyond a single project.
- **Regional and public perspective:** The accounts show how training can support business attraction and expansion, regional employment, wage growth, and the adoption of advanced manufacturing practices. This perspective should also consider the public cost, job quality, equitable access, geographic reach, and whether supported jobs and skills remain in Iowa.
- **Potential weaknesses and implementation concerns:** The testimonials do not systematically address administrative burden, delays, uneven access across employers or regions, projects that create fewer jobs than pledged, training that is too employer-specific to transfer, employee experiences after leaving the employer, or what employers and workers would have done without 260E.

These accounts are useful but illustrative. They are supplied primarily by participating institutions and employers and are not findings from a representative statewide survey or independent evaluation. The committee should therefore gather direct input from current and former employees, employers of different sizes and industries, community colleges, outside training providers, economic-development partners, and state agencies involved in oversight.

A structured statewide process should distinguish among the value of the financing, the quality and relevance of the training, employee outcomes, partnership effectiveness, and program administration. Surveys or interviews should ask about training completion and skill gains; wages, advancement, retention, and portability of skills; productivity and competitiveness; access and responsiveness; administrative burden and delays; regional and employer-size differences; weaknesses or unintended effects; and what participants believe would have occurred without 260E. Results should be reported by stakeholder group so that positive employer accounts are considered alongside direct employee experiences, provider and college implementation concerns, and the state's interest in accountability and public return.

10. Review partnerships with community colleges and training providers to evaluate whether the partnerships are effective in delivering relevant training, and identify ways to strengthen or expand partnerships.

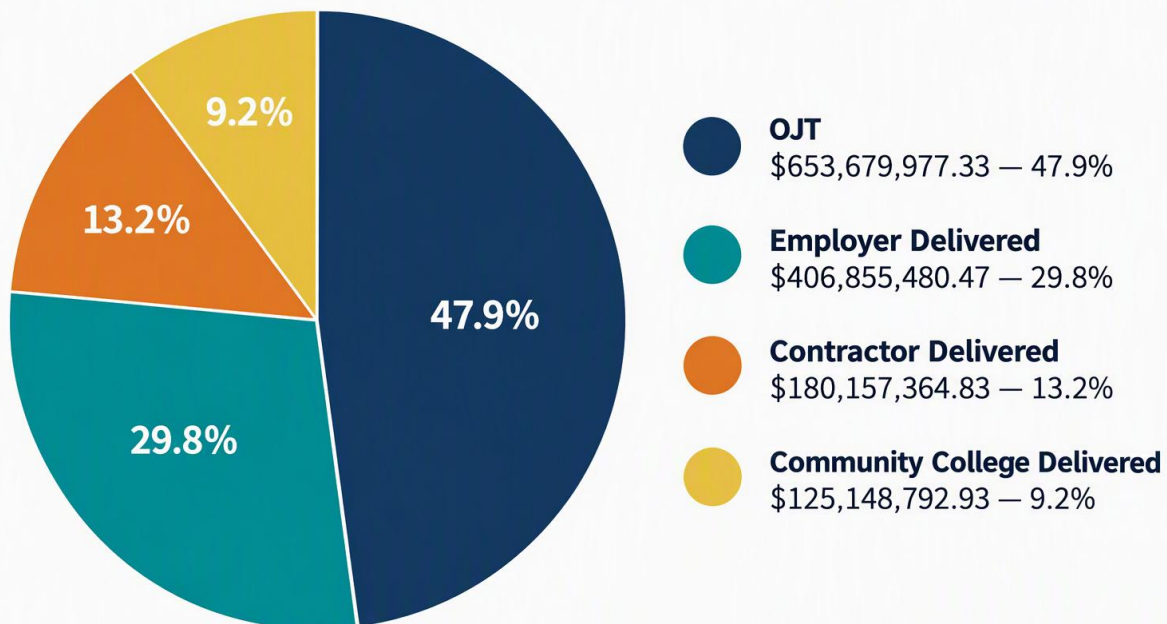
Iowa's 15 community colleges work with employers to develop training plans, coordinate internal and external providers, issue and administer financing, document compliance, process reimbursements, and monitor project agreements. The structure allows local responsiveness and employer choice, but practices and capacity may vary by college, employer size, region, and project volume. Small and rural employers may face different access challenges than large employers.

Actual spending shows four training delivery methods:

- On-the-job training: Employees learn while performing their jobs.
- Employer-delivered training: Structured instruction led by the employer's internal trainers or subject-matter experts.
- Contractor-delivered training: Instruction purchased from an external training provider or consultant.
- Community-college-delivered training: Instruction provided directly by community college faculty or staff.

Training Delivery Categories

Actual spending and share by delivery category, fiscal years 2017–2026



Partnership effectiveness could be assessed through the timeliness of service, employer and participant satisfaction, training completion, skill gains, certifications where applicable, job outcomes, cost, provider quality, and access across regions and employer sizes. Input from community colleges, employers, economic developers, and training providers would help identify opportunities to improve consistency and expand access while preserving local flexibility.

11. Assess the effectiveness of the program's compliance monitoring and oversight of the use of program funds and participants' adherence to the program requirements.

Database and monitoring improvements followed the 2009 audit. The 2020 State Auditor review found that most earlier findings had been addressed but identified continuing concerns about job monitoring and interest associated with closed projects.¹⁵ Oversight responsibilities are distributed among community colleges, employers, the Department of Revenue, Iowa Workforce Development, and entities involved in financing.

Project records indicate that 260E has multiple controls embedded in its structure. Employer access to training funds is tied to employment commitments, and withholding collections affect both reimbursement and bond repayment. Community colleges monitor hiring, expenditures, supporting documentation, and tax-payment status. When an employer falls below its employment commitment, fails to provide required documentation, or encounters withholding-payment issues, training reimbursements may be delayed, restricted, or frozen. When projects underperform, unused resources may be redirected to meet bond obligations rather than paid to the employer.

These controls demonstrate that 260E is not structured as an unrestricted upfront grant. Program resources are linked to documented project activity and to withholding generated by the new employees. The records therefore provide evidence of meaningful safeguards and active oversight of public funds.

At the same time, project comments reveal a substantial administrative burden. Records repeatedly document follow-up by colleges with employers, payroll providers, state agencies, training vendors, and financing entities to reconcile employment reports, withholding payments, invoices, and eligibility for reimbursement. This distributed oversight structure can protect public resources, but it also requires clear responsibilities, timely data exchange, consistent procedures, and sufficient administrative capacity at the colleges.

Training funds are held and administered by the community college and are disbursed only as eligible training occurs; the employer does not receive or control the full allocation in advance. An employer may access training funds only to the extent that qualifying jobs are actually created. If fewer jobs are created than pledged, unused training funds remain with the college and are applied to the bond obligation rather than retained by the employer or redirected to another college purpose.

12. Compare the benefit that employers receive from participating in the program to the benefits available to the same employers through other incentive programs.

260E is distinct because it can provide training resources near the beginning of a project through community college-issued financing, with repayment tied to withholding generated by new jobs.

Compared with other incentive programs, 260E's principal advantage is timing and structure. Grants may provide direct funding but are generally limited by annual appropriations and competitive availability. Tax credits typically reduce a business's tax liability after qualifying activity occurs. Reimbursement programs require the employer to incur costs before receiving support, while loans must be repaid from the employer's own resources. Employer-match programs share costs but require an immediate private contribution. By contrast, 260E can finance customized training near the beginning of an expansion and repay that financing over time from withholding generated by the new jobs.

Our analysis of FY2017–FY2026 data shows an average cost of approximately \$4,700 per job. This appears likely to be substantially lower than the cost per job associated with many other incentive programs, although an apples-to-apples comparison would require consistent definitions of program cost, job creation, attribution, and the period over which outcomes are measured.

13. Review how community colleges participating in the program use bond interest.

Community colleges report using or reserving 260E bond interest for several purposes:

- **Debt service:** Supporting regular bond repayment or making early final payments.
- **Risk protection:** Covering withholding shortfalls, employer defaults, or project deficiencies and reducing the likelihood that a standby property-tax levy would be needed.
- **Program administration:** Supporting accounting, monitoring, workforce-development staff, and other costs not fully covered by the administrative allowance.
- **Training capacity:** Supporting facilities, equipment, technology, continuing education, and related workforce-training infrastructure.
- **Restricted reserves:** Allocating interest back to individual projects or retaining it in designated accounts.

Practices vary based on project volume, financing schedules, and local risk. Overall, bond interest functions primarily as a debt-management and risk-protection resource, with some colleges also using it for otherwise unfunded administration or workforce-training capacity.

14. Evaluate whether skills gained by employees through the program are transferable.

Training supported through 260E aligns closely with skills Iowa employers identify as current and emerging priorities. Kirkwood Community College's *Skills 2027: Workforce Needs Assessment*¹⁶ gathered responses from 156 organizations across multiple industries, while ATW Training Solutions' *2026–2027 Trends in Talent Development Survey*¹⁷ included 137 Iowa talent-development and business professionals. The recurrence of the same competencies across these different employer groups provides evidence that many 260E-supported skills are transferable beyond a single company or occupation. Major areas of alignment include:

- **Leadership and workplace skills:** Leadership for emerging leaders was the leading development topic in the statewide survey, followed by career development, coaching, accountability, and job-specific tasks. The regional survey likewise identified foundational work habits—including reliability, accountability, and attendance—as prominent gaps. These competencies apply across industries and organizational levels, making them among the most broadly transferable skills supported through 260E.
- **Business, communication, and customer skills:** Communication, coaching, customer service, sales, presentation skills, financial understanding, and business operations support performance in many occupations. Employer emphasis on career development and skills-based development reinforces the value of these cross-functional capabilities when workers change roles or employers.

- **Information technology, data, cybersecurity, and AI:** Employers identified AI and automation as the dominant emerging talent-development trend, with demand for AI software, industry-specific tools, and AI safety and security. Training in software applications, data analytics, cloud technologies, cybersecurity, Microsoft applications, and IT certifications therefore addresses needs that span industries and are likely to become increasingly portable.
- **Industry-specific technical skills:** Specialized training in fields such as aviation, food processing, plastics, agriculture, construction, transportation, and other sector-specific operations.
- **Manufacturing, skilled trades, and technical operations:** Job-specific technical skills were among the most significant current and future gaps identified by employers. Advanced manufacturing, automation, electrical systems, industrial maintenance, robotics, machining, welding, engineering software, equipment operation, and quality systems are transferable when the underlying equipment, processes, or standards are used by multiple employers.
- **Adaptability, continuous improvement, and project management:** Employers anticipate significant changes from AI, automation, personalized learning, and skills-based hiring and development. Lean principles, process improvement, change management, root-cause analysis, project management, and operational efficiency equip workers to adapt to those changes and solve problems across workplaces.
- **Safety and regulatory credentials:** OSHA, hazard prevention, emergency response, CPR, commercial driving, forklift operation, and other recognized certifications respond to requirements shared by many employers. Their transferability is especially demonstrable when completion results in a current, externally recognized credential.

Leadership, business, technology, safety, continuous-improvement, and recognized technical credentials are generally portable across employers. Industry-specific skills may transfer within a sector, while training limited to proprietary equipment, processes, software, or internal policies may be primarily employer-specific. A statewide evaluation should distinguish these types and identify whether training results in an industry-recognized credential, certification, college credit, or documented competency.

15. Review the program's payment mechanism.

The program relies on bonds issued by community colleges and repaid through withholding credits associated with new jobs. This structure makes resources available before the full economic benefit of the jobs is realized, but it also creates financing costs, administrative responsibilities, and risk if job creation or withholding falls below expectations.

The 2020 economic-value study described the earlier mechanism as follows: each of Iowa's 15 community colleges financed and administered its portion of the program by issuing bonds; award amounts were based on the number of new jobs and their wages; and businesses diverted 1.5 percent to 3 percent of state withholding generated by the new positions to the colleges to retire the bonds. In its tax-impact calculation, the study subtracted the diverted withholding from gross added tax revenue, treating it as revenue unavailable to the state during repayment. For FY 2013 through FY 2018, it estimated a present value of \$70.9 million in withheld payroll-tax revenue used for bond repayment.¹⁸

HF 2799 limits bonds to no more than 70 percent of total program costs related to training expenses. For agreements beginning on or after July 1, 2026, deferred program costs may not extend beyond seven years from the beginning of the project. The law also reduced the administrative-expense cap from 19.5 percent to 15 percent. The 70 percent financing limit leaves 30 percent of project costs to be supported from other permissible sources, but the statute does not expressly require that amount to be paid by the employer in cash or paid up front.

Addendum: Employer Perspectives Related to Item 9

Aluma Trailers

Institution: Iowa Lakes Community College

Aluma Trailers reports adding 118 new, highly skilled jobs to its manufacturing operations in the Iowa Lakes region over the past 10 years with support from 260E. The lightweight trailer manufacturer identified time to market for new products, workforce capacity, and the technology needed to support new product lines as its greatest concerns. According to the employer account, 260E-supported training enabled the company to implement advanced manufacturing practices, robotics, and improved engineering practices, lowering overall product costs while increasing profit margins.

Colewell Automation

Institution: Iowa Valley Community College District

Colewell Automation in Montezuma began with two owners and now has 11 employees. The FANUC-authorized systems integrator provides turnkey automation systems, robot programming, project management, and manufacturing-process design in the Midwest and nationwide. Colewell currently has a 260E project and recently partnered with Iowa Valley Business and Community Solutions to offer an open-enrollment course, *Introduction to Robotics and Automation*. The company provides the instructor and facility. Co-owner Dustin Stowell, president and director of operations, said: “Successful manufacturing requires skilled trades. We are excited to partner with Iowa Valley Community College to help build the necessary programs that manufacturers in Iowa are looking for. Through this partnership, we hope not only to teach our future employees, but the employees of manufacturers around Iowa.” Colewell also participates in the district’s Manufacturing Focus Group and was featured at College Day on the Hill in February in support of workforce programs.

Crystal Group:

Institution: Kirkwood Community College

Kirkwood Corporate Training and Crystal Group have built a strong workforce development partnership focused on leadership growth, technical skill development, compliance training, and customized learning solutions. To date, 30 Crystal Group employees have participated in Kirkwood’s Leadership in Manufacturing program, helping create a sustainable pipeline of emerging leaders. Kirkwood and Crystal Group are also exploring additional leadership-development opportunities to support future organizational growth.

In 2026, Kirkwood delivered Linux training for 30 employees and compliance-focused FAR/DFARS training for 10 employees, strengthening technical expertise and regulatory knowledge across the organization. Additional customized training initiatives are being developed in areas such as Inventor and advanced manufacturing. Crystal Group employees are also participating in a customized Train-the-Trainer program to build internal instructional capacity and support long-term workforce development.

Since 2011, Kirkwood and Crystal Group have partnered through nine 260E agreements. These agreements helped create 201 new jobs and provided \$2,120,000 in total issuance for workforce training and development.

JBS

Institution: Iowa Valley Community College District

JBS in Marshalltown is a pork-processing facility owned by JBS USA and has approximately 2,400 employees. JBS has received 260E and 260F support, and Iowa Valley Community College District has provided industrial-maintenance training to the company for more than 20 years. When JBS hires new mechanics or promotes employees from within, participants attend Industrial Maintenance Training at the Marshalltown campus using the Amatrol lab. The hybrid, self-paced format combines online learning on college laptops with access to an instructor and concludes with a hands-on assessment using Amatrol equipment. Some employees complete the training in six months, while most take nine months to one year. JBS increases employees' wages after they complete the course.

Link Manufacturing

Institution: Northwest Iowa Community College

Since 1993, Link Manufacturing, located in Sioux Center, Iowa, has entered into seven industrial new jobs training projects that have provided formalized and structured training for 252 new employees, including 80 who were brought to Iowa in the acquisition of an out-of-state competitor, with 2.25 total million dollars generated for training funds. "Skilled workers are building our company and living in our communities. The 260E program has proven itself effective for Northwest Iowa," said Stephanie Regnerus, Director of Human Resources for Link Manufacturing. "For many Northwest Iowa companies, the constraint is not ambition — it is capacity: time, cash flow, and access to customized training. Programs like 260E help remove these barriers so employers can expand, adopt new technologies, and build a stronger talent pipeline without waiting for a perfect labor market," said Lisa Story, NCC's Coordinator of Workforce Solutions. For Northwest Iowa, the impact of these programs is not theoretical — it is measurable. The Iowa Department of Education's *Noncredit Program Outcomes Report* (2025) noted that the median wages for all non-credit learners before they complete workforce trainings are \$35,096, and the median wages rise to an astonishing \$57,260 after the trainings are completed. The report highlighted NCC's strength in combining strong wage growth with increased employment for individuals completing trainings, and this reflects the real results these partnerships deliver for workforce development, employee onboarding, and regional economic growth.

Moveero

Institution: Iowa Lakes Community College

Moveero reports adding 294 new, highly skilled jobs to its operations in the Iowa Lakes region over the past 10 years with support from 260E. The off-road wheel and hub manufacturer identified workforce capacity and modernization as its greatest challenges. According to the employer account, 260E supported stronger onboarding training plans that substantially improved employee retention. The training also enabled Moveero to implement advanced manufacturing practices, robotics, and improved quality-engineering practices.

Ritchie Industries

Institution: Iowa Valley Community College District

Ritchie Industries, located in Conrad, manufactures livestock-watering equipment and currently has 69 employees. The employer describes 260E and 260F as tools that help businesses invest in workforce skills and remain competitive. Stacey Zemon, human resources manager, said: “I’m so grateful to work for a company that truly values its employees. Ritchie has provided me with incredible opportunities to learn and grow, and Iowa Valley Business and Community Solutions has been a fantastic partner in helping me achieve my goals.” She added: “When you invest in your employees, you will see great returns in your bottom line. Training is an investment in the future of your company. We are going strong in part because of the opportunities we have because of our partnership with Iowa Valley. We are poised for success in our next 100 years!”

River Valley Pipe

Institution: Iowa Valley Community College District

Since its founding in 2015, River Valley Pipe has expanded from a single location in Lacon, Illinois, to an operation in Iowa Falls, with growth supported in part by 260E. In partnership with Iowa Valley Community College District, the company received \$79,740 in training funds to onboard and upskill 11 new employees. It exceeded that hiring goal by adding 13 new team members by 2023. Iowa Valley Business and Community Solutions helped the company develop a customized training plan that included leadership development, Arc Flash Electrical Safety, and CPR/First Aid, supporting both workforce skills and workplace safety.

Red Boot Beverage

Institution: Des Moines Area Community College

DMACC Business Resources (DBR) helped fuel the growth of Red Boot Beverage through Iowa’s Industry 4.0 and 260E programs, supporting investments in both technology and workforce development. When the company first partnered with DBR, it had just nine full-time employees. Today, Red Boot Beverage employs more than 115 people, thanks in part to Industry 4.0 funding for new equipment and five 260E projects that provided training in ERP systems, LEAN process improvement, specialized equipment operation, ELL instruction, leadership development, and more for its new employees.

The combination of advanced technology and employee training has positioned Red Boot Beverage for continued expansion. As owner Stuart Oxer explains, “The Industry 4.0 grant has been a huge, huge benefit for us. DMACC introduced us to the Industry 4.0 Grant as well as the 260E Programs that allowed us to take a step forward and run product at a faster speed. Because of the grant and 260E, we’re able to go for our next level of expansion.” Through its partnership with DBR, Red Boot Beverage has built a stronger workforce, increased production capacity, and laid the foundation for future growth.

Safco

Institution: Iowa Lakes Community College

Safco reports adding 153 new, highly skilled jobs to its manufacturing operations in the Iowa Lakes region over the past 10 years with support from 260E. According to the employer account, 260E-supported training helped the company remain innovative and profitable in a highly competitive industry. The training enabled Safco to implement advanced manufacturing practices, robotics, and improved engineering practices, supporting its position as a provider of dental tools, supplies, and professional service solutions to dental practices in the United States and internationally.

Sub-Zero:

Institution: Kirkwood Community College

Kirkwood has been a workforce partner to Sub-Zero since the company first established operations in our region. Early conversations connected Sub-Zero with resources across the college, laying the foundation for a partnership that continues to grow.

Today, that partnership includes customized workforce training in leadership development, welding, safety, and industrial maintenance. Kirkwood developed specialized welding training aligned to Sub-Zero's manufacturing standards and delivered a customized leadership development program for approximately 40 people leaders, built around the company's values and priorities.

Kirkwood also created tailored Human and Organizational Performance (HOP) training to strengthen safety culture and provided train-the-trainer programs that help Sub-Zero build internal training capacity in areas such as forklift operation, aerial lifts, and fall protection.

In addition, Kirkwood has supported Sub-Zero's workforce growth by connecting them with industrial maintenance expertise and serving as an ongoing workforce development resource. As Sub-Zero continues to expand, Kirkwood remains committed to helping meet its evolving talent and training needs.

Kirkwood partnered with Sub-Zero through the 260E Job Training Program, helping to create 169 new jobs and providing \$1,980,000 in total issuance to help develop and train its workforce.

Van Maanen Technologies

Institution: Des Moines Area Community College

DMACC Business Resources (DBR) and Iowa's 260E New Jobs Training Program helped Van Maanen Technologies overcome a skilled labor shortage by investing in workforce development and creating opportunities for growth from within. Through its 260E training project, the Newton-based company started with a workforce of 15 employees and added 17 new jobs, more than doubling its size. Through 260E-funded training initiatives, Van Maanen strengthened its workforce by providing employees with a clear path for development, offering programs that ranged from leadership and supervisory training to technical skill development tailored to the company's needs.

The investment has paid dividends for both the company and its employees. As team members advance their skills and gain internal certifications, they are rewarded with meaningful wage

increases, while the company benefits from a highly skilled and loyal workforce. One employee even returned after leaving for an out-of-state opportunity, citing Van Maanen's strong culture of development and advancement. Through its partnership with DBR and the 260E program, Van Maanen Technologies is strengthening careers, growing its workforce, and contributing to the economic vitality of Central Iowa.

Veridian

Institution: Iowa Lakes Community College

Veridian reports adding 118 new, highly skilled jobs to its manufacturing operations in the Iowa Lakes region over the past 10 years with support from 260E. The fire-protective-gear manufacturer identified increasing market competition as a central challenge. According to the employer account, 260E-supported training enabled the company to implement advanced manufacturing practices, robotic sewing machines, and improved engineering practices, helping it maintain differentiated competitiveness in the marketplace.

¹ Iowa Code ch. 260E, including §§ 260E.2–260E.3, Iowa Industrial New Jobs Training Act, <https://www.legis.iowa.gov/docs/code/260E.pdf>.

² 260E project records

³ Emsi, The Economic Value of the Iowa Industrial New Jobs Training Program at Iowa's Community Colleges (February 2020), pp. 3–5, 10, 15–17. Attached.

⁴ Kirkwood Community College, Skills 2027: Workforce Needs Assessment, <https://kirkwoodonlinenews.org/skills-2027-report-highlights-regional-workforce-needs/>; ATW Training Solutions, 2026–2027 Trends in Talent Development Survey, <https://www.atwtraining.com/2026-2027-trends-survey>.

⁵ Iowa Acts 2026, ch. 1199 (HF 2799), Industrial New Jobs Training Program provisions; Iowa Legislative Services Agency, Final Fiscal Note for HF 2799, <https://www.legis.iowa.gov/docs/publications/LGE/91/HF2799.pdf> and <https://www.legis.iowa.gov/docs/publications/FN/1605187.pdf>.

⁶ The fifteen bolded study elements are reproduced from Iowa Acts 2026, ch. 1199 (HF 2799), section establishing the New Jobs Training Program Interim Study Committee, <https://www.legis.iowa.gov/docs/publications/LGE/91/HF2799.pdf>.

⁷ Iowa Code ch. 260E, including §§ 260E.2–260E.3, Iowa Industrial New Jobs Training Act, <https://www.legis.iowa.gov/docs/code/260E.pdf>.

⁸ Iowa Code ch. 260E, including §§ 260E.2–260E.3, Iowa Industrial New Jobs Training Act, <https://www.legis.iowa.gov/docs/code/260E.pdf>.

⁹ Emsi, The Economic Value of the Iowa Industrial New Jobs Training Program at Iowa's Community Colleges (February 2020), pp. 3–5, 10, 15–17. Attached.

¹⁰ 260E project records.

¹¹ Emsi, The Economic Value of the Iowa Industrial New Jobs Training Program at Iowa's Community Colleges (February 2020), pp. 10–13. Attached.

¹² State of Iowa Office of Auditor of State, review of the Iowa Industrial New Jobs Training Program (2020).

¹³ Iowa Workforce Development and Kirkwood Community College, 260E pilot outcomes report (February 2011).

¹⁴ Community college 260E training process summary.

¹⁵ State of Iowa Office of Auditor of State, review of the Iowa Industrial New Jobs Training Program (2020).

¹⁶ Kirkwood Community College, Skills 2027: Workforce Needs Assessment, <https://kirkwoodonlinenews.org/skills-2027-report-highlights-regional-workforce-needs/>.

¹⁷ ATW Training Solutions, 2026–2027 Trends in Talent Development Survey, <https://www.atwtraining.com/2026-2027-trends-survey>.

¹⁸ Emsi, The Economic Value of the Iowa Industrial New Jobs Training Program at Iowa's Community Colleges (February 2020), pp. 5–6, 14. Attached.