Leading Iowa's Economic Growth

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The Professional Developers of Iowa (PDI) is a statewide organization representing economic development professionals serving Iowa's communities, businesses, and workforce. Our members work across cities, counties, regional organizations, utilities, community colleges, universities and public-private partnerships to support business growth, job creation, and workforce development.

PDI members work directly with employers, community colleges, and state agencies to identify workforce needs, connect businesses with training resources, and facilitate new investment.

PDI brings a local firsthand perspective to workforce policy, advocating for workforce development programs like 260E that strengthen employer-driven training, preserve regional partnerships, and keep Iowa competitive.

PDI strongly supports Iowa's 260E program and welcomes meaningful modernization that improves employer access, accountability, and workforce training outcomes. Community colleges should remain the primary administrators of the program, retain bonding authority, and work directly with employers and local economic developers to address regional workforce needs.

Iowa's economic development success depends on serving projects of all sizes, from major industrial investments to small rural business expansions. Reforms should strengthen local delivery rather than create unnecessary administrative barriers, delays, or financial burdens.

Primary Request: Preserve community college administration and bonding authority while establishing consistent statewide standards, clear review timelines, and practical improvements to program eligibility and financing.

Recommended Program Reforms

- **Preserve local administration:** Maintain community college responsibility for employer agreements, training plans, financing, disbursements, and compliance, with state oversight and clear accountability.
- **Improve consistency:** Establish common forms, eligibility guidance, reporting standards, and review timelines while allowing colleges to share resources and expertise.
- **Expand eligible industries:** Evaluate health care and other high-demand sectors, including eligibility for nonprofit and public employers, technical credentials, and financing requirements.

- **Modernize training eligibility:** Recognize automation, advanced manufacturing, specialized software, equipment training, and demonstrated technical competencies while distinguishing substantive training from routine onboarding.
- **Protect rural and small employers:** Evaluate administrative costs, employer contributions, approval timelines, and program accessibility by project size and region.
- **Measure results:** Track job creation, wages, retention, training completion, employer costs, and repayment performance while protecting confidential business information.

Funding and Financing Proposals for Consideration

Phased employer contributions: Allow employers to meet required financial contributions proportionally as approved training expenses occur, rather than requiring the full contribution before reimbursement.

Revolving training advance fund: Explore a limited, state-capitalized fund providing short-term advances through community colleges while authorized financing or reimbursement is pending.

Small-project assistance: Consider targeted administrative grants to help community colleges serve smaller employers where fixed compliance and financing costs are disproportionately high.

New-sector pilot programs: Test expanded eligibility for health care and other high-demand industries through time-limited appropriations, defined employer contributions, and measurable outcomes.

Regional training partnerships: Allow employers to share instructors, equipment, training facilities, and cohorts through community colleges while maintaining separate agreements and financial accountability.

These concepts require additional fiscal and legal evaluation and are not presented as existing program entitlements or adopted PDI policy.

Legislative and Administrative Considerations

The 2026 Act retains community college financing but limits project bonds to 70% of qualifying training-related program costs, caps administrative expenses at 15%, and limits payment deferral to seven years for agreements beginning July 1, 2026.

Proposed administrative rules under ARC 0629D include a 7% community college administrative fee, additional eligibility restrictions, state review before bond inclusion, and approval of documented employer spending equal to 30% before program funds are released.