Modernizing Iowa's 260E Program

Community College Recommendations for the HF 2799 Interim Study Committee

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260E by the numbers

35,254

Jobs filled

798 contracts
FY2017–FY2026

92%

Of pledged jobs filled

35,254 of 38,312 pledged
FY2017–FY2026

$14.7B

Estimated added income

2020 study
FY2013–FY2018

Economic-impact estimate uses employer-reported attribution.

Job counts and impact estimates cover different periods and should not be combined.

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A stronger 260E for Iowa's workforce

- **Strengthen the focus on growth.**
  Support business expansion and new jobs.

- **Make the program easier to use.**
  Simplify employer access and administration while keeping decisions local.

- **Show what training delivers.**
  Track results for workers and employers after training.

1. Clarify and consistently implement statutory changes

- Clarify colleges' responsibility for agreements and new-job eligibility.
- Clarify Iowa Workforce Development's review and feedback role, without a new approval layer.
- Use common definitions, allowable-cost guidance and calculations statewide.

Business impact: A small manufacturer like River Valley Pipe could anticipate a clear path for accessing training funds through a 260E project with confidence: one set of definitions and allowable costs statewide means faster agreements and fewer surprises.

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2. Consider targeted access for strategic sectors

- Test limited eligibility changes through a focused pilot.
- Consider additional sectors, for example health care, transportation, etc.
- Assess regional demand and access to other programs before broadening 260E.

Business impact: A pilot could open training support to growing employers in sectors now excluded, like Axis Therapy Centers (health care), who was interested in 260E opportunities as part of their site selection process but weren't eligible.

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3. Prioritize transferable skills and credentials

- Prefer recognized credentials, documented competencies and college credit where appropriate.
- Support portable technical, leadership, technology, safety and project-management skills.
- Retain on-the-job/proprietary training.

Business impact: Workers who finish training with a recognized credential, as in Pries Enterprises' training program, carry skills employers can trust - CNC machining, maintenance, truck driving and workplace safety, as well as problem solving and critical thinking - helping businesses hire, retain and promote employees.

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4. Improve access for small and rural employers

- Explore simpler projects and targeted technical assistance.
- Use regional, shared or cluster-based training where employer needs overlap.
- Track participation by employer size and region to identify access gaps.

Business impact: A small rural employer like Colewell Automation (11 employees) could join shared training and use simpler projects, gaining skilled workers without a dedicated training staff.

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5. Simplify administration, preserve local flexibility

- Set common expectations for documentation, reimbursement, compliance and outcomes.
- Improve data exchange among colleges, employers, payroll providers and state agencies.
- Preserve local authority and existing safeguards without unsupported new approval steps.

Business impact: Clearer rules and less paperwork let employers like Pries Enterprises train new hires as they are needed, spending less staff time on reimbursements and reconciliation. HR director Angie Helmichs says 260E 'made the training more readily available,' so it happens as needed; without it, training would happen 'when it fits into the budget.'

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6. Build a workforce continuum with 260F

- 260E: training for new jobs tied to expansion.
- 260F: broader incumbent-worker development and upskilling.
- Allow limited 260E support for existing workers when an expansion directly requires it.
- Evaluate greater investment in 260F alongside any 260E funding changes.
- Clarify which program best fits each employer need.

Business impact: A continuum fits: 260E for new positions, 260F for upskilling. An expanding employer, like JBS in Marshalltown, who participates in both can train new hires and upskill current staff who run new equipment or supervise them, with a clear path to the right program for each need.

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7. Make pay-as-you-go an employer option

- Authorize pay-as-you-go so employers can choose it instead of bonding when it better fits their project.
- Clarify whether a statutory change is required.
- Use consistent information, forms and timelines statewide.
- Keep employer choice simple, without another approval or review layer.

Business impact: Employers with steady hiring could skip bond costs, while fast-growing start-ups like Shell Rock Soy could still choose bonding. Each business picks the financing that fits its project.

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8. Outcomes reporting

- Track completion, credentials, wages, retention and advancement alongside activity and compliance.
- Include employer satisfaction and skill portability.
- Use existing administrative and wage-record data.
- Avoid duplicative employer reporting and unsupported new approval steps.

Impact: Employers could see wages, retention and advancement for the workers they train, helping them target training where it pays off, without added reporting burden.

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9. Statewide longitudinal dashboard

- Match participant records to unemployment-insurance wage data and other reliable sources, with privacy protections.
- Report wages before and after training, credential attainment and industry mobility.
- Distinguish retention with the sponsoring employer from continued employment in Iowa.
- Build on the 2011 pilot while recognizing its limits.

Business impact: Milkhouse Creamery (New Hampton) reports working with NICC on 260E projects since 2015 and says the resulting hires range from production associates to a new plant manager. That kind of movement inside one employer and where they go to afterwards is what the dashboard would measure with wage records.

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10. Establish regular independent program review

- Assess economic impact and participant outcomes using existing program and wage data.
- Review employer participation, regional access, public return and administrative effectiveness.
- Include direct employee and employer input.
- Focus on statewide improvement rather than added project approvals.

Impact: Regular independent review would show employers of every size and region what is working and keep a program they rely on effective and responsive to real business needs.

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Priorities for committee consideration

- Keep business expansion and new jobs at the center.
- Maintain regional responsiveness through local decision-making.
- Clarify implementation and simplify the employer experience.
- Coordinate 260E with 260F and test focused access improvements.
- Build common outcomes, a longitudinal dashboard and regular independent review.