

4. Handout from Dr. Julie Stoik, Executive Director of Institutional Advancement and Governmental Relations, Western Iowa Tech Community College.

Senator Wieck, Senator Courtney, Senator Zieman, Senator Fraise

Representative Hoffman, Representative Soderberg, Representative Wendt

Other elected officials and ladies and gentlemen.

It is my pleasure today to give testimony for Western Iowa Tech Community College. WITCC serves the six Iowa counties of Woodbury, Plymouth, Cherokee, Ida, Monona and Crawford. As the Iowa Community College serving one of the potential pilot project cities of the *targeted jobs withholding tax credit* study, I am here as a partner who is committed to continuing the community college's work with our economic development partners.

We see this *targeted jobs withholding tax credit* as an additional incentive to what is already available under section 260E of Iowa Code. Section 260E-the New Jobs Training Program-lays out the foundation for an existing economic development program administered through the Iowa Community Colleges since 1983. We feel the *targeted jobs tax credit* will serve as an

extra incentive to attract new business thus complementing the industry-driven workforce development programs and services already offered through the community colleges that enhance Iowa's economic wellbeing by increasing the skills of an already productive workforce.

Businesses engaged in manufacturing, processing, assembling products, warehousing, wholesaling or conducting research and development are already eligible applicants to the 260 E-- Iowa New Jobs Training Program. If a company is expanding its operations or locating a new facility in the state of Iowa, the New Jobs Training Program can provide flexible funding to meet a variety of training and employee development needs. The assistance available ranges from highly specialized educational programs to basic skill training for new positions. The community college district in which the new or expanding business is located issues training certificates to pay for the training cost. These certificates are repaid by diverting a percentage of the increased payroll withholding tax revenues resulting from the creation of the new jobs. The amount of withholding is dependent upon the individual jobs and upon the wages paid to the individuals in these jobs.

Our region has reflected the state's economic woes in recent years.

- **In 2002 WITCC issued 5 contracts for New Jobs Training which proposed 216 new skilled jobs.**
- **By December of that year 2002 we witnessed a shrinking of the economy which was reflected with no new issues of New Jobs Training agreements in 2003. Businesses were not investing in new jobs and were not growing.**
- **Now as that economy turns around there is need for new, well-trained workers and, although companies in NW Iowa are cautious, WITCC issued 3 new contracts in 2004 for a total of 149 new jobs.**
- **So far in 2005 WITCC has issued 5 recent New Jobs Training contracts for 1,029 proposed new jobs.**

The workforce and economy seem to now be playing “catch up”. We see this *targeted jobs withholding tax credit* as a catalyst to continue that growth and to help expand the business base in NW Iowa. This pilot will be an incentive to those businesses while continuing to allow them to invest in the workforce to grow our economy.

We want the existing 260 E workforce training program protected and we have seen a great effort to do that in this proposed legislation. We thank this interim committee, the legislature and the local officials for these efforts and we look forward to working with you to assist businesses as they begin or expand operations in Iowa.