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## BUDGET UNIT BRIEF – FY 2025

Fiscal Services Division

July 1, 2024



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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

## Job Training — Workforce Development Fund Account

### Purpose and History

Iowa Code section [260F.6](#) establishes a Job Training Fund in the [Workforce Development Fund \(WDF\)](#) under the purview of the Iowa Department of Workforce Development (IWD) for the community colleges. The Job Training Fund consists of moneys appropriated for the purposes of Iowa Code chapter [260F](#), plus the interest and principal from repayment of advances made to businesses for program costs, plus the repayments, including interest, of loans made from the Fund, and interest earned from moneys in the Job Training Fund.

The Job Training Fund is used to fund the costs of the Job Training Program, also known as the 260F Program. A community college may provide a business with an advance of the moneys to be used to pay for the Program costs as provided in the agreement entered into by the parties. To receive the funds for this advance from the Job Training Fund, the community college must submit an application to IWD. The amount of the advance must not exceed \$50,000, or \$100,000 within a three-fiscal-year period, for any business site. If the project involves a consortium of businesses, the maximum award per project must not exceed \$100,000. Participation in a consortium does not affect a business site's eligibility for individual project assistance. Prior to approval, a business must agree to match Program amounts in accordance with criteria established by IWD. Moneys in the Job Training Fund may be used by a community college to conduct entrepreneur development and support activities.

2023 Iowa Acts, [Senate File 514](#) (State Government Alignment Act), transferred the Job Training Program, the Job Training Fund, and the WDF from the Iowa Economic Development Authority (IEDA) to IWD.

### Funding

The resources to operate the Job Training Program are provided from the Job Training Fund, which receives an annual \$4.8 million standing appropriation from the WDF Account.

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 is diverted each quarter to the WDF Account for a period of 10 years.

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### More Information

Jobs Training Program (260F):

[workforce.iowa.gov/employers/build-your-workforce/training-programs-and-tax-credits/260f](https://workforce.iowa.gov/employers/build-your-workforce/training-programs-and-tax-credits/260f)

Iowa Department of Workforce Development: [workforce.iowa.gov](https://workforce.iowa.gov)

LSA Staff Contact: Evan Johnson (515.281.6301) [evan.johnson@legis.iowa.gov](mailto:evan.johnson@legis.iowa.gov)

**Related Statutes and Administrative Rules**

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

Iowa Code sections [260C.44](#) and [422.16A](#)

Iowa Administrative Code [877—18](#)

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