



WORKFORCE DEVELOPMENT COUNCIL

317 West Main Street, Boise, Idaho 83735-0510

TRANSMITTAL # 11

MEMORANDUM

October 5, 2011

TO: Workforce Development Council

FROM: B.J. Swanson, Chair, Workforce Development Training Fund Review Subcommittee

SUBJECT: Policy Recommendations: Revisions to the Workforce Development Training Fund Guidelines

ACTION REQUESTED: Approve the revisions to the policy guidelines recommended by the Workforce Development Training Fund Sub-Committee.

BACKGROUND:

Idaho's Workforce Development Training Program is a commitment by the State of Idaho to extend education and training resources to provide new full-time employees with needed skills or upgrade the skills of current full-time workers at risk of permanent layoff. A job creation and retention initiative, the fund gives Idaho firms a competitive edge and supports local community efforts to attract new companies and retain existing businesses.

The Idaho Workforce Development Training Fund (WDTF) was established by the Legislature in 1996 and guidelines were set by the Workforce Development Council that same year. The WDTF was reauthorized by the State legislature this year for an additional seven years with a new the sunset in 2019. This provides an opportunity to review the guidelines to reaffirm current policies or modify others which no longer apply.

The current guidelines have been modified by the Council over the years but overall have remained the same. The major policy changes which have been made since 1996:

1. Increased the entry-level wage from \$6.00 to \$12.00 and defined benefits as employer assisted medical benefits.
2. Eliminated funding to third-party call centers.
3. Allowed the Director of Labor the discretion to award funding outside the established guidelines if there is a compelling economic reason.

The Workforce Development Training Fund Sub-Committee met September 8th to review the guidelines and consider the following policy changes options:

1. Possible waiver for the health care industry to the policy that limits funds to companies that sell products or services mainly outside the region where the business is located;
2. Elimination of the requirement for creating a minimum of five new jobs for urban businesses;
3. Elimination of the requirement for urban businesses to provide a 25% match support;
4. Increasing the current starting wage requirement of \$12.00 per hour to match the new Hire One wage requirement of \$15.00 per hour; and
5. Elimination of the \$2000 and \$3000 per worker caps on the amount of training funds available.

RECOMMENDATION:

In view of the current economic downturn and the need to stimulate job creation and after discussion, the Sub-committee is making the following recommendations for changes to the Workforce Development Training Fund guidelines to be adopted by the Council:

1. Approve a waiver for health care industry eligibility for the Workforce Development Training Fund. The waiver is granted based on the “high wage/high growth” nature of the health care industry. At the discretion of the Idaho Department of Labor Director, the waiver may be extended to other “high wage/high growth” industries in cases where multiple job opportunities, of benefit to Idaho’s economy, will be created.
2. Approve the elimination of the requirement for creating a minimum of five new jobs for urban businesses;
3. Approve the elimination of the requirement for urban businesses to provide a 25% match support;
4. Approve elimination of the \$2000 and \$3000 per worker caps on the amount of training funds available.

Because of the current high unemployment rate, the Subcommittee voted not to recommend increasing the current starting wage requirement of \$12.00 per hour to match the new Hire One wage requirement of \$15.00 per hour. They suggested that the Council may want to reconsider this issue next year if the economy recovers.

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