

TRANSMITTAL # 6

MEMORANDUM

November 18, 2010

TO: Workforce Development Council
FROM: Roger B. Madsen, Director *Roger B. Madsen*
SUBJECT: Workforce Development Training Fund

ACTION REQUESTED: Reauthorization – Policy

BACKGROUND:

Idaho's Workforce Development Training Fund will be considered for reauthorization during the 2011 Legislative session. The legislation is being amended to extend the sunset clause from 2012 to 2018. No other changes will be proposed. All major aspects of the legislation are expected to remain as written, such as:

1. The Idaho Department of Labor will retain administrative and management responsibilities for the training fund.
2. Approval of funding award shall be retained with the Directors of the Idaho Department of Labor and Commerce.
3. The Idaho Workforce Development Council shall continue to establish policies, guidelines and oversight of the training fund.

Idaho's Workforce Development Training Fund has proven to be a highly effective tool in encouraging companies to create new, high quality jobs in Idaho. Since its inception in 1996, the program has assisted over 185 companies and created approximately 23,000 jobs. The average hourly wage for these jobs is \$12.41 plus benefits. The program has assisted existing Idaho companies expand and has been an effective tool in recruiting new companies to our state. We are currently working with several new expansion efforts which will result in an overall increase of the trainee wage.

The current WDTF guidelines have provided sound direction for the implementation of the program. The current guidelines include provisions allowing the Directors to make program guideline modifications when there is a compelling economic benefit to the state and the community where the new or expanded business will be located. In light of the economic conditions and the growing

aggressiveness of other states' economic development strategies, this authority has allowed Idaho to maximize the benefits of available program and services. The most recent success is with Allstate Insurance expanding their facility in Chubbuck, Idaho. Allstate will create 600 new insurance agents at a wage of \$15.50 + with strong employer assisted benefits.

The WDTF guidelines have not been reviewed by the Workforce Development Council for several years. With the reauthorization of the program taking place in 2011, this may be our opportunity to review the existing guidelines. The objective of the review would be to determine if current policies meet the overall goal which is to attract new and existing businesses which provide Idahoans with the opportunity to secure employment with companies which provide high wages and opportunity for career advancement.

Recommendation:

The Workforce Development Council endorses the current WDTF reauthorization legislation to extend the Workforce Development Training Fund for six more years, retaining the current roles and responsibilities specified for the Idaho Department of Labor, Idaho Department of Commerce and the Workforce Development Council.

Secondly, recommends that the Chair establish a sub-committee of the Workforce Council to review the current guidelines to determine if there are any recommended changes. The recommendations of the sub-committee would be brought forward to the full Council once the WDTF legislation is approved by the Legislature.

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