

## **Workforce Development Training Fund Business Recruitment/Expansion Projects**

### **Challenge**

The Workforce Development Training Fund has historically been made available to support business recruitment and expansion projects. When a company (or a site selector on behalf of a company) is considering Idaho, a letter of commitment was provided based on anticipated job creation and/or retraining of existing employees. The Director of the Department of Labor had the authority to issue this commitment. Until such time the Council decides to move away from offering employer grants, we will need to have a process in place to provide commitment letters.

### **Department of Commerce – TRI Program**

Below is a summary of how the Department of Commerce handles commitments for a similar program – Tax Reimbursement Incentives (TRI). The Department of Commerce’s Economic Advisory Council has decision making authority over the TRI program.

1. A pre-application is submitted to the Commerce grant manager. She reviews it for completeness and conformance with program criteria.
2. The pre-application is forwarded to the Director and Business Attraction Team.
3. A department business analyst scores the pre-application against their scoring matrix. Their matrix also includes a payout matrix to guide decisions on how much should be offered.
4. The Director of Commerce issues a “pre-application estimate letter”.

*Note – the Department of Commerce allows site selectors, CPA’s, attorney’s and economic development professionals to submit the pre-application on behalf of a company that desires to remain anonymous until they make a decision to locate in the state/community.*

### **Options for the WDC**

Use Existing Grant Review Committee

1. Create a “pre-application” for the WDTF that includes the minimum requirements needed for the scoring matrix.
2. Have the Department of Labor economist score the pre-application.
3. Convene the Grant Review committee to make a recommendation to the Executive Committee.
4. Ask the Executive Committee to vote by email to issue/not issue a commitment letter.

Pros – leverages existing process and maximizes transparency.

Cons – may not meet the expectations of a quick turnaround from the economic development committee. Estimate two weeks to one-month turnaround from when pre-application is submitted.

Use the Executive Committee

1. Create a “pre-application” for the WDTF that includes the minimum requirements needed for the scoring matrix.
2. Have the Department of Labor economist score the pre-application.
3. Ask the Executive Committee to vote by email to issue/not issue a commitment letter.

Pros – leverages existing process and maintains transparency.

Cons – commitment of Executive Committee to review and respond to requests within very short timeframe.

## **Recommendation**

1. Create a “pre-application” for the WDTF that includes the minimum requirements needed for the scoring matrix.
2. Have the Department of Labor economist score the pre-application.
3. Send the pre-application and per job funding recommendation (based on score only) to the Chair of the Grant Review Committee and the Council Chair or Council Vice-Chair, based on availability.
4. Both must respond in the affirmative to issue a letter.
5. The letter is issued as a “funding estimate” (consistent with Department of Commerce terminology for the Tax Reimbursement Incentive) for up to \$x,xxx per job using language similar to:

*This offer is based on the creation/retention of approximately xx jobs at wages exceeding \$12.00 per hour. Employer assisted health benefits must be provided to employees.*

*This offer is valid for 180 days from the issue date of this letter and may be extended upon resubmission of a WDTF pre-application or application. Final approval and award of a WDTF grant is subject to and contingent upon the following conditions:*

- *Contingencies if any. (i.e. number of jobs created/retained, type of training provided, etc.)*
- *Company’s submission of a complete, full WDTF application, with all required supporting documents and information, to the Council.*
- *Determination by the Executive Director that all application requirements have been met.*
- *Formal review and approval of the Company’s full WDTF application by the Idaho Workforce Development Council.*

## **Benefits:**

- Grant Review Committee Chair and Chair/Vice Chair of Council are involved in every potential project.
- Basing the amount per job on the scoring matrix alone eliminates subjectivity.
- Issuing a “funding estimate” is better aligned to our process where the Council must approve the application rather than a specific individual.
- Executive Director cannot be lobbied for “commitments”.