



# MINUTES

## Iowa Skilled Worker and Job Creation Fund Study Committee

November 19, 2013

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### MEMBERS PRESENT:

Senator Bill Dotzler, Co-chairperson  
Senator Mark Chelgren  
Senator Brian Schoenjahn  
Senator Steve Sadders

Representative Mary Ann Hanusa, Co-chairperson  
Representative Dennis Cohoon  
Representative Dave Deyoe  
Representative Cecil Dolecheck  
Representative Mary Gaskill

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## MEETING IN BRIEF

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- I. Procedural Business
- II. Skills2Compete Coalition
- III. Community College/Skilled Worker Programs —  
Overview
- IV. Community College Career and Technical Education  
Panel
- V. Regent University Economic Development Initiatives
- VI. Iowa Economic Development Authority
- VII. Iowa Workforce Development — RFP and Timelines  
for Iowa Acts, chapter 141(30)(5) Program
- VIII. Discussion
- IX. Materials Filed With the Legislative Services Agency



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### I. Procedural Business

**Call to order.** The first and only meeting of the Iowa Skilled Worker and Job Creation Fund Study Committee was called to order at 10:00 a.m. on Tuesday, November 19, 2013, in Room 116 at the State Capitol Building in Des Moines by temporary Co-chairperson Hanusa. Senator Bertrand was not present. The meeting was adjourned at 3:47 p.m.

**Election of Permanent Co-chairpersons.** Members of the committee unanimously elected temporary Co-chairperson Dotzler and temporary Co-chairperson Hanusa as permanent co-chairpersons.

**Adoption of Rules.** Members of the committee adopted procedural rules which are posted on the committee's Internet site.

**Welcome.** Co-chairperson Dotzler and Co-chairperson Hanusa welcomed members of the committee and reviewed the charge of the committee.

### II. Skills2Compete Coalition

**United Way of Central Iowa.** Ms. Elisabeth Buck, Chief Community Impact Officer at United Way of Central Iowa, explained that the Skills2Compete Coalition is a partnership between employers and other community leaders to pursue policies to increase Iowa's population of skilled workers. The coalition is led by Central Iowa Works (CIW), a public/private partnership designed to strengthen and expand industry sector specific workforce development efforts in central Iowa, which in turn is led by United Way. She explained that the coalition had pursued various policy proposals that were enacted and funded through the Iowa Skilled Worker and Job Creation Fund, such as pathway navigators, adult basic education initiatives, and industry-sector partnerships. She expressed thanks to the General Assembly for its efforts on these issues in the 2013 session. She stated that United Way's focus is on reducing poverty and increasing quality education in Iowa, and that the programs receiving moneys from the fund will further those goals by helping targeted populations, such as the 289,000 adult Iowans without high school diplomas, to receive training in high-demand industries.

She stated that the other two presenters represent key employers in the coalition. She stated that Iowans with lower incomes still face significant barriers to gaining employment, which will be the focus of the coalition's legislative agenda in the upcoming 2014 session of the General Assembly.

**Principal Financial.** Ms. Kerry Gumm, Director of Talent Acquisition and Diversity at The Principal Financial Group, stated that the United States faces significant workforce challenges, with 12 million people unemployed nationally and 3.8 million jobs unfilled mainly because the unemployed lack the necessary skills to fill them. In Iowa, 33 percent of available jobs are middle-skilled, but 56 percent of the population lacks those necessary skills. Other issues of concern are "upskilling" those already in the workforce—ensuring that today's workers will have the skills needed by employers in the future, and ensuring that workers have necessary life skills before they begin work. The Principal's role in CIW is as a participant in one of CIW's four industry sector partnerships (financial services, along with advanced manufacturing, health care, and energy), as well as other successful programs dedicated to ensuring people attain the skills employers need.



**Master Builders.** Dr. Matt Bruinekool, an Education and Training Consultant representing Master Builders of Iowa (MBI), stated that employer participation in CIW's energy industry sector partnership had resulted in 197 unemployed workers trained, with 147 placed and 122 of those earning over \$20 an hour, as well as training for 890 incumbent workers. This training has provided significant value to the commercial construction industry. The Brookings Institute has found that half of all science, technology, engineering, and mathematics (STEM) jobs do not require a four-year degree. There is both a short-term and long-term shortage of workers in commercial construction, and Iowa needs workers trained to fill those jobs. Construction represented one-third of the new jobs added in Iowa recently. MBI has worked diligently to spread awareness of this skill gap. He praised CIW as a model for bringing a community together to determine and fill the need for skilled workers, and to provide them with necessary training.

**Discussion.** Senator Chelgren asked what Ms. Gumm meant by "life skills" for workers. She replied that she was referring to skills such as good attendance, effective communication, and understanding the effort necessary to do good work. Some people entering the workforce lack these skills. The presenters emphasized the variety of efforts they undertake to ensure that workers learn these skills.

Co-chairperson Dotzler asked the presenters where they receive referrals from for training and job openings. They explained that they use a variety of sources, including Iowa Workforce Development, advertisements, third-party providers, and walk-in inquiries.

Discussion also centered on upcoming changes to the General Educational Development (GED) program; combatting the notion that a four-year degree is necessary to get a good job; how necessary training can begin before students graduate high school; and the age range of people seeking training.

### III. Community College/Skilled Worker Programs – Overview

**Des Moines Area Community College.** Dr. Robert J. Denson, President of Des Moines Area Community College (DMACC), explained that the community colleges, business, the Skills2Compete Coalition, and others have been working together to move forward on the opportunities presented through the Iowa Skilled Worker and Job Creation Fund. The interested parties are working with the state Department of Education (DE) to implement the programs receiving moneys from the fund and to develop benchmarks for and provide data on those programs. He provided the committee with a packet on the implementation of those programs by the community colleges. He stated that 56 percent of jobs in Iowa require more than a high school diploma, but not more than a two-year degree. The community colleges want their graduates to be ready to work those jobs. DMACC has had discussions with United Way and industry partners to determine where the greatest job needs in central Iowa are, and thus the four industry sector partnerships were chosen. DMACC has hired new faculty as career navigators tailored to those high-needs areas. While community colleges generally do not directly provide "wrap around" services (individualized support services beyond typical instruction to aid people in gaining life skills and overcoming barriers necessary to achieve successful employment) for students, they do work with community partners who do provide such services. DMACC works with Project Iowa, an initiative developed by A Mid-Iowa Organizing Strategy (AMOS) whose members are central Iowa



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churches. As part of the Pathways for Academic Career and Employment (PACE) program, there is an upcoming program sponsored by DE with the Aspen Institute on best practices for job training programs for low-income people.

**Northeast Iowa Community College.** Dr. Liang Chee Wee, President of Northeast Iowa Community College (NICC), emphasized NICC's "complete and compete" concept—a commitment to form a partnership with incoming students to complete an educational program that will allow them to pursue the jobs they want and then enable them to successfully compete in the market to gain those jobs. He shared details on how NICC is implementing various programs receiving moneys from the fund as well as stories of people NICC was able to help through these programs. He stated that one student drops out of school in the United States every 27 seconds, and that there are six million Americans between the ages of 16 and 24 not in school or working. He explained how employers, community colleges, and high schools have worked together to develop career planning guides for students. He explained the work NICC has done for the Accelerated Career Education (ACE) program. Legislative support in 2013 will allow NICC to expand its job training programs.

**Southwestern Community College.** Dr. Barbara Crittenden, President of Southwestern Community College, discussed the Gap Tuition Assistance program. She emphasized the importance of the program because it fills an unmet need in the postsecondary education system—providing need-based tuition assistance for noncredit certificate systems, for which students do not otherwise receive financial support. While not all students may be ready for a credit program, they may be ready for a certificate program. A screening process is used to determine which students are most likely to succeed in the program. She noted that the program has faced some challenges getting started, with its funds not released until October, but she expected that the community colleges would be better prepared for it by next year. A copy of the first annual report on the program was provided to the committee. She also discussed the Kibbie Grants (the Iowa Skilled Workforce Shortage Tuition Grant program). She expressed appreciation for the College Student Aid Commission's (CSAC) efforts in implementing the program and explained the purpose of the program, which provides need-based assistance to Iowa residents entering programs in community colleges in high-demand fields, as determined by the Department of Workforce Development's most recent Workforce Needs Report. She stated that 3,983 Kibbie Grants were awarded in fall 2013, and she anticipates all available funds for the program will be expended. The community colleges are also working to develop reports on the effectiveness of the programs receiving moneys from the fund, including statewide data and metrics. The community colleges are setting aside one percent of their Workforce Training and Economic Development Fund moneys to prepare the reports.

**Discussion.** Senator Chelgren asked if the community colleges keep any data on why students drop out of their programs. Dr. Wee explained that his institution does ask about this, and noted that a lack of funds is one common reason. His institution maintains a crisis fund to mitigate this problem. Some students drop out due to lack of interest. Dr. Wee said two additional staffers were hired to work with such students to prevent dropouts. Senator Chelgren stated that it would be helpful in the effort to reduce dropouts for the colleges to provide more data on why they occur.



Co-chairperson Dotzler and Representative Gaskill emphasized the importance of English as a second language (ESL) instruction in getting people into the workforce who would not otherwise participate, and asked what the community colleges are doing in this regard. Each of the presenters agreed with the importance of ESL outreach, noting that they provide services in their respective areas to reach out to persons in need of ESL instruction and also work with community partners on this issue.

Discussion also centered on job placement efforts after program completion; the use of personal interviews to determine criteria for projected student success for the Kibbie Grants; implementation of hands-on job training; how to promote better flow from K12 education job training programs at community colleges; how to better promote advanced manufacturing as a career choice; how long it takes to attain a career certificate; backward and forward compatibility between a career certificate and a degree; career training beyond a two-year threshold; training and salary of career navigators; and the importance of adult basic education in getting people back into the workforce.

### **IV. Community College Career and Technical Education Panel**

**Northeast Iowa Community College.** Dr. Wendy Mihm-Herold, the Vice President of Business and Community Solutions at NICC, explained that the presenters in this panel were there to provide an example of how moneys from the Iowa Skilled Worker and Job Creation Fund are used. She emphasized the importance of partnerships between business, DE, and the community colleges in the implementation of these programs. While the panel is focused on advanced manufacturing, there are many other important industry sectors as well. The most important issue of employers in Iowa is attaining a skilled workforce. She played a video for the committee on NICC's advanced manufacturing program. NICC used moneys from its Workforce Training and Economic Development Fund to develop its advanced manufacturing program in partnership with eight businesses, including Bodine Electric Company (BEC). The goal of the program is to train 300 people in Dubuque in advanced manufacturing. The program now uses moneys from the Workforce Training and Economic Development Fund, the Gap Tuition Assistance program, and federal funds. She stated NICC has never marketed the advanced manufacturing program. It has succeeded by word of mouth alone.

**Bodine Electric Company.** Mr. Jeff Bodine, Executive Vice President of BEC, shared background information on his company. The company started as a family-owned business in Chicago. It later relocated to Iowa when Chicago offered little support for job training, whereas Iowa offered better prospects. Now BEC has over 274 employees in multiple, international locations and has completed \$45 million in business this year. He stated his biggest concern as an employer is hiring talented computer numerical control (CNC) machinists, whom he does not have the capacity to train internally. He stated that manufacturing is experiencing a resurgence, and the industry's prior poor reputation is no longer accurate; manufacturing jobs are clean, safe, and offer good wages. Manufacturers are working to provide job training opportunities as early as high school.

Mr. Michael Billmeyer, a NICC student and BEC employee, explained how he came to work at BEC. While unemployed, he heard about the advanced manufacturing program at NICC. He enrolled and completed the program. He got a full-time job at BEC after completing the program.



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He had no prior applicable skills for the job before starting the program. He was quickly promoted, and now makes a good wage and is very happy. He credits NICC's program with changing his life.

**Advanced Manufacturing Center.** Mr. Randy Schofield, the Tri-State Director of Advanced Manufacturing Center for Excellence at NICC, opined that there is more than one way to attain a career in manufacturing. He noted that two of the people in the video on the program had four-year degrees, but were unable to gain employment until they also completed NICC's certificate program. He explained that NICC is working to develop career pathways in advanced manufacturing. The program focuses on necessary skills that cannot be learned on the job, while also giving credit for skills a student already has. He noted that the community colleges are developing specialized modules amongst themselves to offer skills that students need.

**Career Coach.** Mr. Robert Steinhauser, a career coach for advanced manufacturing at NICC, explained how NICC works with community organizations and high schools to educate prospective students about careers in advanced manufacturing. They take prospective students on tours of facilities, emphasizing how manufacturing is now more about brain power than muscle power. They educate prospective students about the costs of the program and career pathways, assess applicants to determine if they possess the skills necessary for the program, and refer applicants lacking the necessary skills for further assistance so they can apply again later. He explained how he works with students to develop basic skills such as resume writing and shared stories of students he has worked with. He tracks students as they go through the program and after they complete the program and gain employment. Students can go through the program multiple times if they fail.

**Discussion.** Senator Schoenjahn emphasized the importance of providing people in career training programs with flexibility in leaving and reentering the programs as they face life challenges. Dr. Mihm-Herold explained that people are able to start and stop programs such as the PACE program and the Gap Tuition Assistance program as needed, and their funding is not endangered if they do.

Discussion centered on the need to continue investing in these programs; Iowa's strengths and weaknesses in attracting and retaining employers such as BEC; competition for advanced manufacturing jobs between Iowa and neighboring states; and the importance of tracking people who pursue these programs to ensure they receive the support they need.

## V. Regent University Economic Development Initiatives

### A. Iowa State University (ISU):

Dr. Michael Crum, Senior Policy Adviser on Economic Development to the President, shared background information, goals, outcomes, and success stories for the Institute for Physical Research and Technology, the Small Business Development Centers, and the ISU Research Park. Dr. Lisa Lorenzen, Executive Director of the ISU Research Foundation, provided similar information on the Regents Innovation Fund.

Senator Chelgren asked how ISU markets these programs. Dr. Crum explained that while there is some reliance on word of mouth and promotion internally within ISU's various programs and



departments, ISU has also developed a promotion strategy and works to integrate its programs within their targeted fields.

Discussion also centered on how these programs assist companies in meeting requirements such as international standards and the important role these programs play in providing technical expertise to small businesses.

### **B. University of Northern Iowa (UNI):**

Mr. Jerry Thiel, Director of the Metal Casting Center, provided background information and outcomes on UNI's work on rapid casting technology, operated under the direction of the UNI Metal Casting Center. UNI houses the largest printable area available in any 3D printer in North America and can produce molds for virtually any metal alloy. The university has collaborated with many top manufacturers on this technology.

Mr. Dan Beenken, Director of the Small Business Development Center and Manager of Advance Iowa, provided background information, goals, outcomes, and success stories for UNI's Economic Gardening Program. "Economic gardening" refers to growing new companies in Iowa that have 10 to 100 employees and have \$500,000 to \$50 million in annual revenue. Mr. Randy Pilkington, Director of Business and Community Services, reviewed various projects that UNI is pursuing in FY 2013-2014. He also shared information on outcomes of UNI's economic development efforts, including projects such as the MyEntre.Net application, a network of resources and services designed to attract and connect small businesses and start-ups with online business assistance and capital.

Discussion centered on the importance of UNI's work as a national leader in 3D printing, technical details on the metal casting process, and the intellectual property rights of people using these programs.

### **C. University of Iowa (UI):**

Dr. Daniel A. Reed, Vice President for Research and Economic Development, discussed UI's "economic development ecosystem," which collectively refers to integrated university programs, regent university partnerships, state support and integration, community and company engagement, and other features of UI's economic development initiatives.

Mr. David K. Hensley, Associate Vice President for Economic Development, discussed UI's various entrepreneurship initiatives. He stated that UI has one of the largest entrepreneurial programs in the country, and that any Iowan can earn an entrepreneurship certificate or degree online. The university's initiatives include Iowa Innovation Associates, which provides real-world experience to students by pairing them with Iowa businesses, start-ups, and academic and research organizations, and Venture School, a new model to serve as a launchpad for fostering technology commercialization. He emphasized the importance of collaboration with businesses, high schools, community colleges, and community and economic development organizations in UI's initiatives. He stated that in meeting with community leaders, community colleges, businesses, and economic development groups around the state, clear messages had emerged about the need for more advanced entrepreneurship training, information technology and informatics training, and hands-on partnerships with Iowa companies.



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Mr. Alex Whitters, President and Chief Executive Officer of Higher Learning Technologies (HLT), discussed his business as a success story of UI's entrepreneurship initiatives. He had an idea to develop a software application that would replace flashcards as a study aid for examinations. He started a student-based business using UI's entrepreneurship initiatives, and his business took off. His application has now supported 200,000 users in 140 countries in one year. He credited the General Assembly with laying the groundwork for the initiatives that enabled his business to succeed. He stated he would like to keep his business in Iowa and give back to the community. He suggested that further assistance relating to software development would be helpful to businesses like his.

Co-chairperson Hanusa and Senator Chelgren praised UI's work in this area and Mr. Whitters' accomplishments.

### **VI. Iowa Economic Development Authority**

Ms. Debi Durham, Director of the Iowa Economic Development Authority (IEDA), accompanied by Mr. Tim Whipple, General Counsel of IEDA, reviewed the appropriations received by the authority from the Iowa Skilled Worker and Job Creation Fund and discussed various initiatives being pursued by the authority. She explained that the Iowa Partnership for Economic Progress and stakeholders are conducting a study to reexamine the authority's targeted industry sectors. The authority is also revising its methodology for awarding incentives, how it targets businesses, and how the Iowa Innovation Corporation is implemented. She discussed the authority's marketing strategy, the Synchronist Program, which will address barriers to the growth of existing companies and how Iowa can more effectively develop its brand through such efforts as better targeted national media coverage. She stated the authority will be targeting companies with 50-200 employees. She discussed other initiatives the authority is working on, including innovation support programs, the authority's partnership with UNI on the MyEntre.Net application, and certified site management. She also provided outcomes of the Main Street Iowa program.

Senator Chelgren urged the authority to work on developing state pride among businesses that choose to stay in Iowa and building Iowa's reputation as a good place to do business. Ms. Durham agreed and stated that the authority is already working on these goals. She noted a blog the authority has developed where Iowa businesses can promote Iowa's business climate.

Senator Dotzler asked about the status of the Main Street Iowa Grants. At the time of the meeting, the applications were open. Ms. Durham stated the application process has been improved.

### **VII. Iowa Workforce Development – RFP and Timelines for 2013 Unemployed-Underemployed Program**

Ms. Kerry Koonce, Division Administrator of the Labor Market and Workforce Information Division at Iowa Workforce Development, and Co-chairperson Dotzler reviewed the background on the request for proposals (RFP). 2013 Iowa Acts, chapter 141, section 30, subsection 5, appropriated \$100,000 to the department to develop a long-term sustained program to train unemployed and underemployed central Iowans with skills necessary to advance to higher-paying jobs with full benefits. While it was generally understood that this appropriation was intended to fund a project by A Mid-Iowa Organizing Strategy (AMOS), because the language was unclear, and the





appropriation exceeded \$50,000, the department was obligated to issue an RFP for implementation of the program. The appropriation was temporarily misdirected, which slowed down the process of issuing the RFP. The RFP had been issued as of the committee's meeting, and only one application had been received. The RFP will be awarded on a shortened timeline, by mid-December.

## **VIII. Discussion**

Co-chairperson Dotzler stated that the various presenters seem to be responsibly utilizing the moneys appropriated through the Iowa Skilled Worker and Job Creation Fund. Co-chairperson Hanusa thanked the presenters for coming and agreed that the moneys are being used well. Senator Chelgren expressed interest in further information on any deficiencies in programs receiving moneys from the Iowa Skilled Worker and Job Creation Fund Study or in Iowa's worker training and economic development efforts in general so that these efforts can be made more effective.

## **IX. Materials Filed With the Legislative Services Agency**

The materials listed were distributed at or in connection with the meeting and are filed with the Legislative Services Agency. The materials may be accessed from the "Committee Documents" link on the committee's Internet site:

<https://www.legis.iowa.gov/Schedules/committeeDocs.aspx?GA=85&CID=928>

1	Final Agenda
2	Background Memo with Attachments
3	Iowa Skills2Compete Coalition: Policy Agenda, submitted by Ms. Elisabeth Buck, Chief Community Impact Officer, United Way of Central Iowa
4	Ensuring All Iowans Have the Skills to Drive Economic Growth and Security, submitted by Ms. Elisabeth Buck, Chief Community Impact Officer, United Way of Central Iowa
5	Community College Overview Document: Iowa Skilled Worker and Job Creation Fund Program Implementation Update
6	Community College Overview Document: Workforce Program Performance Metrics/Summary of Recommendations
7	Community College Overview Document: Iowa Community College Data
8	Community College Overview Document: Workforce Training and Economic Development Fund - FY 2014-2015 Plans
9	Community College Overview Document: Sector Board and Career Pathway Training - Presented by the Aspen Institute December 9 & 10, 2013
10	Community College Overview Document: GAP Tuition Assistance Program - FY 2013
11	Community College Overview Document: Iowa GAP Tuition Assistance Program - Statewide Quarterly Report 7/1/13 - 9/30/13



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12	Community College Overview Document: Kibbie Grant, Skilled Worker Shortage Tuition Grant Program, published by the College Student Aid Commission
13	Community College Overview Document: Three factsheets published by Northeast Iowa Community College relating to PACE, GAP, Adult Literacy, and the Workforce Training and Economic Development Funds
14	Bodine: History in Motion, a factsheet submitted by Mr. Jeff Bodine, Executive Vice-President, Bodine Electric Company
15	Iowa State University: Economic Development Outcomes, submitted by Dr. Michael Crum and Dr. Lisa Lorenzen
16	University of Northern Iowa PowerPoint document submitted by Mr. Jerry Thiel, Mr. Dan Beenken, and Mr. Randy Pilkington
17	Email from Ms. Janeane Beck, University of Northern Iowa (UNI) and supplemental testimonials submitted by Mr. Dan Beenken, Director of UNI's Small Business Development Center
18	University of Iowa Economic Development Summary submitted by Dr. Daniel A. Reed and Mr. David K. Hensley
19	Economic Development and Entrepreneurship PowerPoint document submitted by Dr. Daniel A. Reed and Mr. David K. Hensley of the University of Iowa
20	Iowa Economic Development PowerPoint presentation by Ms. Debi Durham, Director, Iowa Economic Development Authority

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