

Iowa Workforce Development



FY 2014 Annual Report

Smart. Results.

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Iowa's Economic Overview

Iowa's economy showed further signs of strengthening in fiscal year 2014, exactly five years after the economic recovery began. This improvement was reflected in most of the state's closely-watched overall indicators of the economy, including the State Gross Domestic Product, state revenues, the labor force and total employment numbers, unemployment, growth in nonfarm jobs and housing statistics. The stronger job growth that occurred during the fiscal year was the result of a healthier housing market and hiring that had spread to more industries, including government. Businesses stepped up their contributions to growth; however, consumers remained reluctant to spend since wage increases were just slightly higher than inflation. Annual wages for Iowa's workers rose just 2.2 percent in fiscal year 2014.

Iowa's unemployment rate edged down to an average of 4.4 percent in fiscal year 2014 from the prior year's 4.9 percent, while the level of unemployed persons dropped to 74,400 from 82,300. In contrast to the U.S. situation, Iowa's jobless rate fell because the job market improved, not because people were dropping out of the labor force. In fact, the state's labor force began to grow at a rapid pace during the second half of the fiscal year as individuals started to see more opportunity in the job market. The statewide labor force expanded to an all-time high of 1,682,200 during fiscal year 2014, almost 17,000 higher than the previous year's average. Meanwhile, total employment also trended upward, climbing to a record average of 1,607,800 in fiscal year 2014.

The overall improvement in the Iowa economy was reflected in the stronger hiring trend last year. Nonfarm employment surpassed its pre-recession peak, climbing to a record 1,540,600 in fiscal year 2014. This was 23,600 (+1.6 percent) higher than in fiscal year 2013. The leading sectors for growth were trade and transportation and education and health with job gains of 4,200 each. Construction, leisure and hospitality and government followed with over 3,000 jobs added in each of the three sectors.

When the recession ended in June 2009, manufacturing became the main driver in the economic recovery. However, the sector's strength receded in fiscal year 2014 as the global economy weakened. Despite the loss of momentum last year, manufacturing represented about 14 percent of Iowa's nonfarm employment in calendar year 2013, and accounted for \$12.5 billion in exports. The biggest challenge for advanced manufacturing has been finding a steady supply of skilled workers who are prepared to work in today's technologically advanced factories. In response to this problem, many of Iowa's manufacturers are working with the Iowa Manufacturing Consortium and the community colleges to build a trained workforce.

Iowa's bioscience companies made considerable contributions to the state economy last year. In June 2014, Valent Bio Sciences Corporation opened a new \$146 million plant in Osage that makes environmentally-friendly pesticides and other products. A formal grand opening was also held in June for CJ Bio America and Cargill in Fort Dodge. Cargill produces 115 million gallons of ethanol annually as well as livestock feed. CJ Bio takes Cargill's dextrose and produces 100,000 metric tons of lysine per year. In the Des Moines area, Kemin Industries and Johnston-based DuPont Pioneer continued to add to their facilities, resulting in more jobs in scientific research. Kemin's recent \$125 million expansion included a 90,000-square-foot headquarters, additional warehouse and manufacturing space and a \$16.7 million research and development center. The expansion has brought about 140 new jobs to the area. In April 2014, the Cultivation Corridor was launched as an attempt to leverage the reputation of companies like Kemin and DuPont Pioneer to bring more bioscience firms to central Iowa.

Iowa Workforce Development Overview

Iowa Workforce Development contributes to the economic security of Iowa's workers, businesses and communities through a comprehensive statewide system of employment services, education and regulation of health, safety and employment laws.

The agency continually strives to improve processes and align the organization in such a way to provide effective, demand driven products and services. Iowa Workforce Development's administrative, labor services, workers' compensation, labor market information, and the unemployment insurance service staff are located in Des Moines. Additionally, the agency maintains a statewide delivery system of 15 regional IowaWORKS Centers, 4 satellite IowaWORKS offices and nearly 1,000 Virtual Access Technology sites serving all 99 counties.

Through a comprehensive Web site, Iowa Workforce Development provides customers access to major services such as posting résumés; access to a statewide job bank; labor services information, unemployment claim information and filing options; and labor market information, 24 hours a day, seven days a week.

These services and more are found on the IWD Web sites:

- General information about the department can be found at www.iowaworkforce.org and www.iowaworkforcedevelopment.gov.
- The IowaJobs Web site at www.iowajobs.org lists more than 25,000 job openings daily.
- Workforce Trend Information is available at [http:// iwin.iowaworkforce.org](http://iwin.iowaworkforce.org).

The **Labor Services Division** is responsible for the administration of state and federal statutes related to public health, safety and workplace issues. Iowa's Occupational Safety and Health Act administration is located within the department. The Division's emphasis is on voluntary compliance through education and preventive services. The Division continues to implement the vision of creating a "culture of safety" throughout Iowa's labor force.

The **Communications and Labor Market Information Division** oversees the development and dissemination of workforce and economic related information. A large portion of the information is produced in cooperation with the Bureau of Labor Statistics and the Employment and Training Administration of the U.S. Department of Labor. Workforce Trends describe areas of information in terms of their economic conditions, industries, labor supply, occupations, and wages.

The **Unemployment Insurance Division** provides services to both businesses and Iowans through the collection of UI tax payments, processing of benefit payments, quality control and fraud detection. The Unemployment Insurance Division is updating the tax collection system in order to create a streamlined, electronic system for the benefit of all users. The new system is nearly complete and will be available for employers to file their first quarter 2010 reports.

The **Workers' Compensation Division** performs three core functions: adjudicating disputed workers' compensation claims, enforcing compliance standards and educating Iowans about workers' compensation law and procedures. Iowa's Workers' Compensation

Commissioner, oversees this division of Iowa Workforce Development. The Division is working on the development of a new system that will create a truly electronic and paperless system for Iowa.

The **Workforce Services Division** provides a wealth of information, services and resources to Iowans, businesses, and partners across the state. The Division administers the programs and services through physical offices and Virtual Technology sites across the state in sixteen different regions. The Division's primary functions include employment services, business services, training resources and targeted population activities.

Unemployment Insurance Services Division

The unemployment insurance division continued to create systems and process that are more efficient, secure, and customer friendly. With 85% of claims for benefits and 100% of employer quarterly reports and new account registrations submitted online, the Division is showing marked improvements in performance and efficiency. For UI Benefits it has been a time for planning and system development while UI Tax fully implemented MyIowaUI, the new web based unemployment insurance tax system. Over the past year the Division has saved over \$790,000 from:

- Electronic filing of quarterly UI Tax Contribution reports.
- A 50% increase in on-line tax payments.
- Implementation of Voice-Over Internet Protocol (VOIP) at the Unemployment Insurance Service Center (UISC).
- Electronic notification of the Notice of Claim.
- The option for electronic correspondence on our UI Tax accounts.

The Unemployment Insurance Benefits Bureau has been highly strategic with system redesign. Process improvements have resulted in consistently placing Iowa in the top five states for timely completion of initial fact finding interviews. As well, Iowa has passed the federal quality standards for the past six quarters. Development is nearly complete on new tools that will increase accountability for our claimants and reduce processing time for staff. Specifically, the claimant's identity will be verified through at least two outside sources, all job contacts will be recorded in an electronic file, and the majority of claims filed will automatically process reducing processing time.

Fictitious employer schemes have gotten the attention of several states because of the potential loss to a UI trust fund. A fictitious employer is a scam by an individual to create an unemployment insurance tax account using fake information, then file false claims for benefits costing thousands, and in some states, millions of dollars. Thanks to the relationship we have created with a new vendor, Pondera, and their fraud detection service, we have the ability to detect these accounts before claims are filed. In 2014 alone, we identified 12 accounts created by fictitious employers and prevented the filing of the unemployment insurance claims that could have cost the trust fund over \$552,000.

IowaWORKS Virtual Access Points continue to be a tremendous resource for unemployment insurance recipients and employers. On-line resources can be accessed at over 900 locations across Iowa. The unemployed can file a claim for benefits along with their weekly report at one of these locations, and conduct an on-line search for employment. Employers can file their quarterly tax report through [My Iowa UI](#). In all cases a toll free number and instant messaging are available to address questions and concerns.

Unemployment Insurance System Performance

As evidenced below, UI Benefits has experienced some very dynamic fluctuations processing and paying out record numbers of unemployment insurance claims. However the trend has shown a steady decline in the number of initial Iowa claims filed and total

regular UI benefits paid demonstrating continued growth in the Iowa economy. The number of claims filed has not been that low since prior to 2007 when it was 193,210.

| Total Unemployment Insurance Benefits Paid | | | | | | |
|---|-------------|-------|-------|-------|--------|--------|
| Iowa | | | | | | |
| Program | Fiscal Year | | | | | |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Regular Unemployment Insurance (Millions) | \$634 | \$709 | \$508 | \$432 | \$432 | \$397 |
| | 385,7 | 336,0 | 226,6 | 193,8 | 188,90 | 177,32 |
| Number of Claims | 90 | 36 | 47 | 93 | 5 | 7 |
| Regular UI (State UI Programs) [ETA-5159 302-14] | | | | | | |
| Initial Claims (State UI Programs) [ETA-5159 101-2] [ETA-5159 101-3] [ETA-5159 101-7] | | | | | | |
| 12/10/2014 | | | | | | |

Employers used several existing programs to help workers. Businesses continue to take advantage of two existing programs:

Work Share Program: This program provides an alternative to laying off employees. Employees get reduced hours and reduced pay plus a portion of regular unemployment insurance benefits. Most importantly, employees continue to work and continue to get employer-offered benefits and the employer retains their skilled workforce while the business recovers. Participation in this program has gone down in 2013, which is an indication of a recovering economy. During fiscal year 2013:

- 17 employers enrolled; up from 15 in 2013.
- 357 employees participated; down from 880 in 2013.

Employer Filed Claims: This program allows employers to file claims on behalf of their employees. Employers feel they are assisting their employees to ease the pain of a layoff. In 2014 we saw a slight decrease in participation and appreciate businesses willingness to assist their workers with this application.

- In 2014, 30 employers have used the program as compared to 34 in 2013
- Approximately 11,811 claims were filed as compared to 15,234 in 2013.

Emergency Unemployment Compensation (EUC)

The Emergency Unemployment Compensation (EUC) program began in July 2008. The program ended December 28, 2013. During FY 2014 total EUC benefits paid dropped by 68% over FY 2013 and regular benefits continued their decline. This is clearly representative of the progress made towards Iowa economic recovery.

| Total Unemployment Insurance Benefits Paid | | | | | | |
|--|--------------------|----------------------|--------------------|--------------------|--------------------|--------------------|
| Program | Fiscal Year | | | | | 2014 |
| | 2009 | 2010 | 2011 | 2012 | 2013 | |
| Regular Unemployment Insurance (UI) | 633,987,994 | 708,673,924 | 507,608,146 | 431,960,027 | 431,863,267 | 397,004,675 |
| Voluntary Shared Work | 4,198,022 | 8,997,971 | 2,383,965 | 1,004,515 | 708,333 | 204,514 |
| Emergency Unemployment Compensation (EUC) | 159,034,303 | 465,595,122 | 391,440,438 | 262,192,457 | 110,770,871 | 35,208,908 |
| Economic Stimulus Payments (\$25 per week) | 31,783,718 | 100,388,263 | 24,039,938 | 0 | 0 | 0 |
| Total | 829,004,037 | 1,283,655,280 | 925,472,487 | 695,156,999 | 543,342,471 | 432,418,097 |
| Regular UI (State UI Programs) [ETA-5159 302-14] Voluntary Shared Work: [ETA-5159 (WS) 302-14] EUC Benefits (State UI Programs) [ETA-5159 (EUC) 302-12,402-23,502-34] Economic Stimulus Payments [ETA-2112 42a] | | | | | | 12/10/2014 |

Additional Federal Funding

In FY 2009 the federal government gave states the opportunity to receive additional federal funding to pay benefits if they expanded eligibility criteria. Iowa responded by enacting two enhancements: Training Extended Benefits and the Alternate Base Period.

Training Extension Benefits. Participants in this program may receive up to an additional 26 weeks of benefits while enrolled in training for a high demand or technology occupation, only after all regular benefits are exhausted. They must be enrolled and making satisfactory progress in training to receive unemployment benefits. During FY 2014, 2,705 applications were received. Approximately 91% of those applications were approved.

Alternate Base Period: This provision gives an alternate way to calculate the base period for unemployment benefits. This applies where the current method of calculation makes an individual ineligible for unemployment benefits. The law moves the base period closer, by one quarter, to the date someone files for unemployment benefits. During FY 2014, 2,866 claims have been filed with an alternate base period and 2,353 of those claims paid benefits.

Unemployment Insurance (UI) Trust Fund

The UI program is funded through state and federal payroll taxes. These taxes are paid by employers based on a portion of workers' wages. Funds are placed in a special fund, called the UI Trust Fund. The Trust Fund can only be used to pay unemployment insurance benefits.

By the end of FY 2011, over 35 states depleted their Trust Funds and borrowed in excess of \$48 billion from the federal government. 10 of those states still have over \$13 billion of debt to be repaid to the federal government. Iowa is one of a hand full of states that remained

solvent throughout the great recession. 2012, 2013, and 2014 marked significant improvements in the rates for businesses by going to tables 4, 5, and 6 respectively. This represents a savings of approximately \$93 million dollars to businesses in 2012, \$100 million in 2013, and \$104 million in 2014. 2015 will continue that trend moving to tax table 7. 2002 was the last year, Iowa's UI tax rates were as low as tax table 7.

| Tax Rate Comparison | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Percent employers with UI tax rate of 0% (do not pay taxes) | 45% | 45% | 46% | 43% | 43% | 43% | 43% | 45% | 44% |
| Percent employers with tax rate of 1% or less | 75% | 75% | 75% | 53% | 53% | 54% | 56% | 75% | 78% |
| Percent employers with highest tax rate. (Max rate 8.0% for 2007-2009, Max rate 9.0% for 2010-2012. Max rate 8.5% for 2013. Max rate 8.0% for 2014 Max rate 7.5% for 2015) | 9% | 9% | 9% | 8% | 8% | 9% | 11% | 8% | 9% |
| Tax Rate for Average Employer | 1.45% | 1.47% | 1.45% | 1.94% | 2.21% | 1.98% | 1.76% | 1.41% | 1.26% |

Comparison of Taxes Collected and Benefits paid

For the majority of Fiscal year 2013, we moved to tax table 5 resulting in a rate decrease which allowed the trust fund to continue to grow and put the state in the position to move to table 6 in 2014.

| | Taxes Collected | Benefits Paid (State \$ Only) |
|---------|-----------------|-------------------------------|
| FY 2007 | \$322 million | \$339 million |
| FY 2008 | \$360 million | \$350 million |
| FY 2009 | \$361 million | \$634 million |
| FY 2010 | \$413 million | \$708 million |
| FY 2011 | \$576 million | \$508 million |
| FY 2012 | \$653 million | \$432 million |
| FY 2013 | \$561 million | \$440 million |
| FY 2014 | \$497 million | \$401 million |

Other Accomplishments for Fiscal Year 2014

Employer Misclassification Unit: Misclassification of workers as “independent contractors” rather than “employees” is a growing problem in Iowa and is costing millions of dollars. The Iowa Legislature provided special funding to help protect workers, businesses, and tax payers. During State Fiscal Year 2014, the Bureau has received 134 employee misclassification tips, leads and referrals from workers, employers, government agencies and the public. The completed investigations found that 56 employers misclassified 760 workers. These employers failed to report \$11,389,154 in wages for unemployment tax purposes, which resulted in assessments of \$539,081 in unpaid employment taxes, penalties and interest.

Upon completion of an investigation of a bona fide case of employee misclassification, we refer cases to the Division of Labor’s Contractor Registration program, the Iowa Workers’ Compensation Division, and the state Department of Revenue to determine what obligations are owed under those laws and programs. Similarly, those entities share information with the Misclassification Unit. IWD also signed an agreement with the Internal Revenue Service that also allows for the transfer of information related to employee misclassification.

Debit Cards: In 2014, Bank of America Merrill Lynch was selected as the new vendor for unemployment insurance debit cards. They were selected through a competitive bid process and the implementation was on time and in budget with minimal customer service issues. Approximately 25% of all claimants use a state issued Debit Card to receive UI benefit payments.

Electronic Notice of Claim: State Information Data Exchange System (SIDES) is a secure, electronic and nationally-standardized format in which employers can easily respond to UI information requests, attach documentation when needed, and receive a date-stamped confirmation of receipt. Since going live with this system in April 2013, 2,232 employers have registered to use this system to respond to the initial notification of an unemployment insurance claim, saving the State thousands of dollars in postage and printing.

Special Budget Request: Many of the current Unemployment Insurance (UI) projects are currently in development and we anticipate completion in 2015. As a result of our \$2,674,185 Supplemental Budget Request awarded in September 2013, we have been able to accomplish the following in 2014:

- Business process analysis of UI Benefit Decisions
- Development of a Veteran’s Profile
- Continued promotion of electronic data exchange system with employers (SIDES)
- Development of new UI Claim Profile
- Enhancement of the electronic employer filed claim
- Development of a contact management system synchronizing all agency contacts
- Enhancement of the web-based initial claim application

In September 2014, the agency was awarded \$1,782,898. These funds are intended to be utilized for the following projects which will extend into 2016:

- Improvements to the Combined Wage Claim application
- Continued enhancement of the UI Claim Profile
- Implement real-time verification of dependents reducing overpayments
- Development of an electronic wage cross-match within MylowaUI
- Conduct an Independent Verification and Validation of IT systems to ensure compliance
- Improvements to the Interstate benefits (ICON) system
- Incorporate the ability to translate UI Benefits correspondence to other languages
- Automatically process wage adjustments done in Tax to UI Benefits mainframe.

Labor Services Division

The Iowa Division of Labor Services provides a broad range of services to constituents and businesses of Iowa.

The Division is responsible for the enforcement of programs designed to protect the safety, health and economic security of all Iowans. Our programs protect a person who rides on elevators, escalators and amusement rides and enters a building with an asbestos abatement project or a public building with a boiler. We protect employees from dangers in the workplace, the right to be paid wages and Iowa's children from dangers in workplaces and enhance their educational experiences.

Businesses and government working together can build a culture of safety, which provides an economic benefit to employers and employees throughout Iowa. Businesses and employers that support workplace safety and health initiatives develop healthier, more productive employees.

The Division strives to develop outreach programs and activities to educate employers and employees on all facets of the Division of Labor.

AMUSEMENT RIDE INSPECTIONS

Inspectors inspect amusement rides and concessions at least once annually to assure compliance with state rules. An operator must obtain a permit from the Labor Commissioner before operating any amusement device or ride.

ATHLETIC COMMISSION (BOXING, MIXED MARTIAL ARTS & WRESTLING)

The Athletic Commissioner and staff regulate amateur and professional mixed martial arts, boxing and wrestling events. They also issue Boxer's Federal Identification Cards for professional boxers as part of the Association of Boxing Commissioners.

ASBESTOS PERMIT & LICENSING

The division administers and processes Iowa's asbestos licensing and permitting program. Iowa OSHA enforces regulations designed to protect workers from asbestos and non-compliant contractors.

BOILER INSPECTION

The Commissioner and staff work with the Boiler Board on a variety of topics annually. They are also called upon to review code and rules for appropriate action and/or adoption or modification. They also address other responsibilities including adopting administrative rules.

The staff enforces safety codes for boilers and unfired steam pressure vessels.

BUREAU OF LABOR STATISTICS

The Division collects the data for OSHA and the Bureau of Labor Statistics surveys. They also manage calls for the OSHA Hotline for fatalities statewide.

CHILD LABOR AND WAGE/CHILD LABOR ENFORCEMENT

Child Labor and Wage/Child Labor processes claims relating to unpaid wages, vacation pay, unpaid expenses, unauthorized deductions, minimum wage, etc. They investigate all child labor complaints and injuries. Also, they have outreach training for employer education on wage and child labor. A wage investigator was added from money appropriated by the Iowa Legislature.

CONTRACTOR REGISTRATION

The Division of Labor and the Labor Commissioner have focused our primary concerns to public service, outreach and education to our customers. Staff attends outreach activities at construction expositions and trade shows. Contractor Registration has focused on timely processing all requests for permits. Our field investigators are traveling state wide and provide twenty day notices to all contractors needing permits to register for permits with no civil consequence within that time frame.

We are also coordinating referrals to UI Tax, Misclassification Unit and Iowa OSHA as necessary.

ELEVATOR INSPECTION

The Labor Commissioner and the Elevator Safety Board meet monthly to serve the public on waiver, variance requests and any other topic requiring action. They work to adopt administrative rules and keep the Legislative informed on necessary code changes.

The inspector's inspect and enforce safety codes for elevators, escalators, construction personnel hoists, wind tower elevators and related equipment.

OSHA CONSULTATION

The division ensures there are extensive outreach to small employers (especially those with classifications under all Local Emphasis Programs (LEP's) and National Emphasis Programs (NEP's).

Consultation and Education also administers Iowa OSHA's Voluntary Protection Program which promotes effective worksite based safety and health programs through partnerships with management, labor and OSHA. Businesses and Employers receiving VPP status are recognized for their outstanding commitment to workplace safety and health.

OSHA ENFORCEMENT

Emphasis programs allow enforcement to better utilize staff-time and resources toward industries with higher incidence rates and more safety and health concerns. This allows Iowa OSHA to strive towards reducing the number of accidents and illnesses throughout the state. Iowa OSHA's continues to refine education, outreach and selection methods for enforcement. We look forward to substantially decreasing the number of accidents and deaths in the future.

Iowa OSHA is committed to working with our Federal partners to ensure we are meeting our annual and five year strategic performance goals. We are committed to timely turn around on all OSHA inspection activities.

Amusement Ride Safety Program

Inspections 1,927

Boiler Safety Program

State Inspections 4,706

Private Inspections 22,959

Total Inspections 27,665

Elevator Safety Program

Annual Inspections 8,662

Other Inspections 500

3rd Party Inspections 1872

3rd Party Other Inspections 0

Chapter 89A Remedial 0

Construction Contractor Registration

Registrations Issued 13,856

Citations Issued 161

Professional Athletic Program Licenses

Boxing, MMA & Wrestling Events 123

Asbestos Program

Licenses Issued 1,709

Permits Issued 94

Wage Payment Program

Wage Claims Received 737

Wage Claims Settled 727

Amount Collected \$203,390.15

Child Labor Program

Claims Closed 89

Work Permits Issued 5,126

Second Injury Fund

Amount Collected \$770,971.46

IOSH Consultation Activities

Education Seminars 67

Ten-Hour Classes 12

Attendance 339

Consultations Conducted 208

Employees Covered 13,560

Serious Hazards Identified 1,148

Voluntary Protection Program (VPP)

Active Facilities 44

Inactive Facilities 0

New Facilities 0

OSHA Enforcement Inspections

Accident Inspections 30

Complaint Inspections 166

General Inspections 491

Referral Inspections 104

Follow-Up Inspections 5

Other Related Inspections 88

TOTAL INSPECTIONS 884

OSHA Violations Issued

Serious Violations 1,183

Willful Violations 0

Repeat Violations 36

Other Violations 466

Failure to Abate Violations 8

TOTAL VIOLATIONS 1,693

OSHA Penalties Proposed

Serious Penalties \$958,202

Willful Penalties \$0

Repeat Penalties \$70,300

Other Penalties \$130,294

Failure to Abate Penalties \$10,800

Total Penalties \$1,169,596

Workforce Services Division

The Division of Workforce Services provides primary customer contact for a variety of services, including job placement, unemployment insurance, job training, labor market information, re-employment and business services, and case management for at-risk individuals. These services are delivered by staff based in the Des Moines administrative offices, and through a network of offices in 15 Iowa regions, including 15 one-stop offices, four satellite locations, and an large number of Virtual Technology access points hosted by partners, communities, schools, and subcontracted agencies. One-stop Service Centers are established in each region to provide the customer with a single source for employment and training services and information, with many basic services such as job search and unemployment claims also available through the agency's websites.

Integration Update

The close of fiscal year 2014 marked the sixth anniversary of Iowa's One-Stop integration project. Iowa's integration model is driven by the following objectives:

- "All Means All" - a service model philosophy that simply means all center customers become members, allowing IWD to capture demographic data and include everyone served by center staff in performance metrics.
- Provide Iowa businesses with the skilled workers they need while workers gain and expand skills that are in demand.
- Improve efficiency and effectiveness of workforce services and processes.
- Make a relevant, valuable contribution to each region's economic vitality.

- While the vision of system integration includes an effective inclusion of all workforce programs in a given region, integrated centers are concentrating on the following programs:
 - Employment, Business & Re-Employment Services (Wagner- Peyser)
 - WIA Adult, Youth and Dislocated Worker Services, including Rapid Response
 - Trade Adjustment Act Services
 - Veteran Services
 - Migrant Seasonal Farm Worker Services
 - PROMISE JOBS (welfare reform)
 - Unemployment Insurance Services

Employment Services

Employment services focus on providing a variety of employment related services including job search assistance, placement assistance, re-employment services to unemployment insurance claimants, and recruitment services to employers with job openings. Depending on the needs of the labor market, other services such as job seeker assessment of skill levels, abilities and aptitudes, career guidance when appropriate, job search workshops and referral to training may be available. The services offered to employers, in addition to referral of job seekers to available job openings, include assistance in development of job order requirements, matching job seeker experience with job requirements, assisting

employers with special recruitment needs, arranging for Job Fairs, helping employers with hard-to-fill job orders and job restructuring, and providing intensive services when layoffs occur.

For the final reporting period of Fiscal Year 2014 that ended June 30, 2014, IWD field offices served 175,433 individuals, including 14,447 Veterans and 23,127 people over age 55. The total participants included 56,814 employed persons, and 118,619 people were not employed when they accessed services. Of the total served, 99.9% received staff-assisted services (175,248), 89,918 were referred to employment opportunities and 19,577 participated in job search activities. The entered employment rate for that period was 64 percent and the retention rate at six months was 85 percent.

All 15 regional One-Stops operate on the integration model. Those offices are located in Dubuque, Mason City, Spencer, Fort Dodge, Marshalltown, Waterloo, Carroll, Davenport, Cedar Rapids, Des Moines, Sioux City, Council Bluffs, Creston, Ottumwa and Burlington.

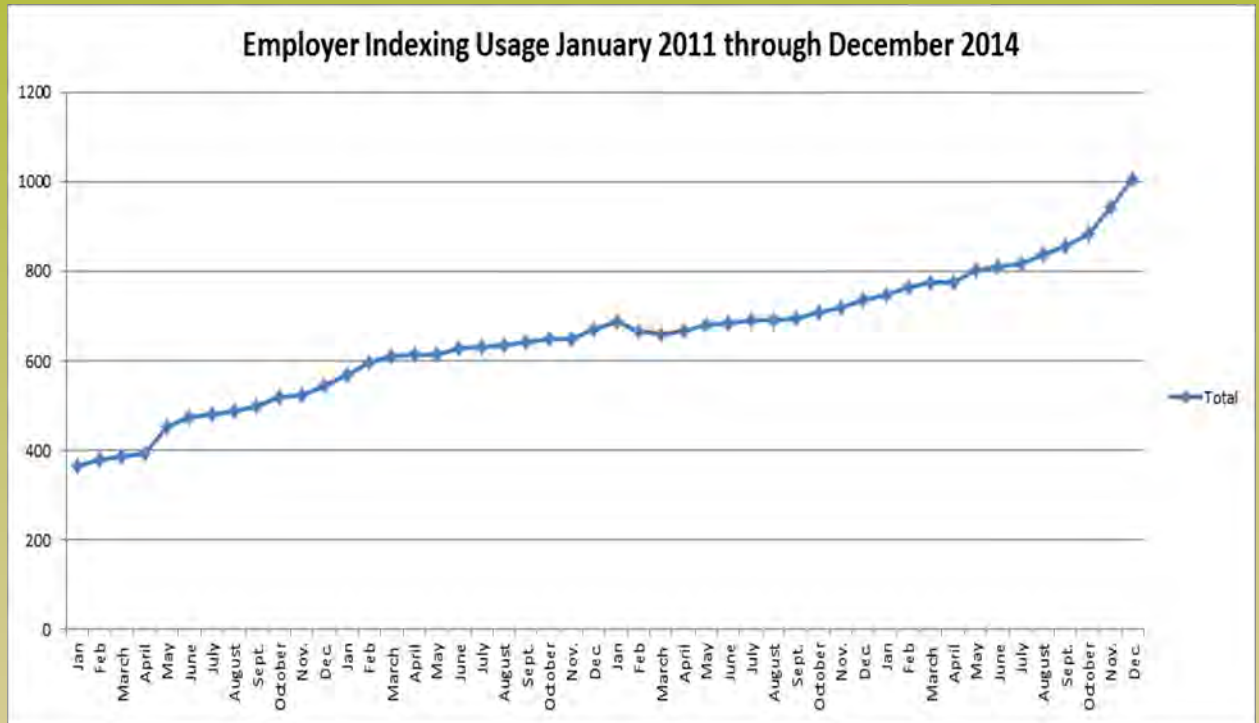
Further demographics of customers served by IWD in the reporting period include:

- 94,342 were male
- 80,621 were female
- 174,196 were adults over age 18
- 116,452 were aged 18 through 44
- 34,566 were aged 45 through 54
- 3,673 were Migrant Seasonal Farm workers
- 14,564 were in school
- 36,142 did not have high school or an equivalent
- 95,609 have high school or an equivalent
- 41,377 have a post-secondary degree or certificate

From July 1, 2013, through June 30, 2014, IWD's field offices received 429,942 job orders from employers, up from 242,216 in Fiscal Year 2013. This does not represent the total number of openings since a job order can reflect an employer's need for multiple workers. One of IWD's functions is to match available workers with job opportunities listed by employers. From July 1, 2013, through June 30, 2014, IWD staff sent 1,345,573 email notices to Iowa workers letting them know about job opportunities and career events to help them with their work search. Email is seen as a more efficient and cost effective way for IWD to reach job seekers, and the agency has switched to only using email for job order notifications. IWD staff offer all customers the opportunity to sign up for free email through Google, Hotmail or Yahoo in our centers, and at our Virtual Technology locations. We also use social media, such as YouTube, Twitter, LinkedIn and Facebook, to distribute information to our customers.

IWD continues to look for ways to increase the number of available job opportunities posted on our main job bank, www.iowajobs.org. Through the use of "indexing," we are able to automatically add jobs posted on employer websites, and job opportunities within a 50 mile commute with Iowa's borders with Missouri, Nebraska, Minnesota, South Dakota, Wisconsin and Illinois. We believe many Iowans would be interested in jobs within that commuting

distance that could allow them to remain lowans, stay in their homes, and keep their children in their school. IWD continues to be the nation's largest user of indexing, which has quadrupled the number of jobs posted on the agency's website and created the largest source of job opportunities in the state. Currently IWD is indexing jobs from over 1,000 Iowa employers, and has many more in development. That is in addition to jobs downloaded through our partnership with the Direct Employers Association, which adds Iowa employment opportunities listed by their 725 member businesses, and jobs added directly by both employers and IWD staff.



Each of IWD's 15 regions has its own job bank that is a subset of IowaJobs, allowing people interested in a specific part of the state to focus on jobs in that area only. In addition, we have created a number of job banks for local chambers of commerce and economic development groups focusing on job opportunities in multi-county areas.

Other identified advantages to posting jobs with IWD include staff assistance providing matches to both job seekers and employers, jobs are posted in "real time," and no fees are charged to either party.

Jobs posted with IWD automatically go to multiple websites:

- Iowa Jobs
- US.jobs
- VetCentral

Additionally, we have taken advantage of our partnership with Direct Employers to launch 10 .jobs microsites, which offer us the opportunity to provide all of our job information on

mobile and hand-held devices. These sites are also search-engine optimized, and were developed at no cost to the state. We currently have the following .jobs microsites:

- [workiniowa.jobs](#)—Mobile version of [iowajobs.org](#). Based on jobs, not openings. Most frequently visited site according to Google Analytics with 3,720 user sessions.
- [workiniowa-vets.jobs](#)—Contains a military crosswalk so the vet can enter their MOS or MOC and find jobs that match their experience. Additional outreach for federal contractors to show OFCCP Auditors. Visited by 1,032 users during the reporting period, according to Google Analytics.
- [workiniowa-disability.jobs](#) — Helps employers reach the disability community – according to Google Adwords, ‘disability’ is a highly searched word by job seekers. Helps employers comply with Affirmative Action /EEOC efforts.
- [workiniowa-stem.jobs](#) — Features job opportunities in science, technology, engineering and math. Site is co-branded with the Governor’s STEM initiative.
- [workiniowa-green.jobs](#) — Features “green” job opportunities
- [workiniowa-manufacturing.jobs](#) — Developed to partner with statewide manufacturing grant project. Site was visited 1,045 times in FY2014, according to Google Analytics.
- [workiniowa-healthcare.jobs](#) — Developed in response to vacancy needs in Iowa
- [workiniowa-construction.jobs](#) —Developed in response to request from local unions and state board members to promote vacancies in skilled trades
- [workiniowa-youth.jobs](#)—Features opportunities in internships and summer jobs
- [workiniowa-seasonal.jobs](#)—Features opportunities that are temporary and seasonal.

Iowa was also the first state to create a customized job bank specifically for apprenticeship opportunities certified by the US Department of Labor. This site, [www.iowaworkforce.org/apprenticeship](#) has since been replicated in other states and identified by DOL as a best practice.

PROMISE JOBS (PJ)

PROMISE JOBS, or “Promoting Independence and Self Sufficiency through Employment, Job Opportunities & Basic Skills,” has been Iowa’s welfare reform program since 1989. Designed to assist Family Investment Program (FIP) recipients to become self-sufficient, PROMISE JOBS is a participation and eligibility requirement for most FIP recipients. Participants develop an individualized Family Investment Agreement (FIA) that outlines the steps they will take to leave public assistance. Persons who fail to participate or comply with their FIA are considered to have chosen a Limited Benefit Plan (LBP) and lose their FIP benefits. IWD has a contract with the Iowa Department of Human Services to administer the PROMISE JOBS program, and staff is located in each of our 15 service delivery areas. A person must be receiving FIP benefits in order to receive PROMISE JOBS assistance. A number of activities are available to PROMISE JOBS participants, including: soft skills training, job seeking skills training, work experience, on-the-job training, monitored employment, High School Equivalency/ABE/ESL, post-secondary education, parenting skills and family development services. Financial assistance is available for child care, transportation, short-term training, and high school completion. All PROMISE JOBS participants are also encouraged to participate in Skilled Iowa activities as part of their plan for self-sufficiency, including the National Career Readiness Certificate. For Fiscal Year 2014, a total of 3,262 PROMISE JOBS participants earned an NCRC. A number of participants have secured permanent unsubsidized employment through Skilled Iowa internships.

For FY 2014, 116,151 individuals were active in PROMISE JOBS activities statewide with an average monthly caseload statewide of 8,412 families. Iowa's all-family rate for Federal Fiscal Year was 41.3 percent and Iowa's rate for two-family was 35.0 percent.

It is important to note that the number of individuals who were active in PROMISE JOBS activities is misleading as it is duplicative. It is based on simply adding the number participating in activities each month. The implication is that these numbers represent counts of unique individuals in activities during the SFY when in reality the same individuals may be included in multiple months. This may not only include duplication across multiple months, but also for the same month, across multiple activities. If the same individual is participating in more than 1 activity, the same person may be counted more than once for the month.

Disabled Veterans Outreach Program (DVOP)

Under Federal Priority of Service regulations, Veterans and Eligible Spouses are entitled to priority of service for qualified training programs funded by the US Department of Labor. Specially trained Workforce Advisors, themselves all disabled Veterans, work with Veterans recently separated from military service or with barriers to employment. Barriers may include disabilities incurred while on active duty, substance abuse, convictions, work history and others that could hinder their ability to obtain suitable employment. Services include counseling, assessment testing, referrals to other supportive service agencies, and identifying training opportunities. Active outreach is conducted with employers, community and Veteran service organizations, unions, and local counseling and social service agencies to ensure Veterans know about and receive services for which they are eligible.

For the last reporting period, IWD field offices served 14,447 Veterans, including the following:

- 4,752 campaign veterans
- 2,223 disabled veterans
- 1,872 recently separated veterans (who left military service within the last three years)
- 4,249 post 9/11 veterans

Success is measured by the fact that 59 percent of the veterans served found employment after receiving staff-assisted services, and 84 percent retained that employment six months later. One very successful tool in promoting the benefits available to Iowa veterans is the continued use of a publication originally developed in 2009. "Iowa Veterans Benefits & Services; A Guide to Federal, State and Local Veterans Programs" is provided to Veterans and their families by IWD, DOL VETS and Iowa county veteran's affairs officers. In addition to featuring pictures of Iowa Veterans and active service members, it includes information on training opportunities, health care and hospital benefits, dependent and survivor benefits, life insurance, home loans, employment and other veterans' service organizations. We also have posters in all offices reminding military spouses that they may also be entitled to priority of service benefits.

IWD continues to be focused on providing access and services to Veterans across the state. Veterans Representatives are currently based in Dubuque, Mason City, Spencer, Fort Dodge, Waterloo, Davenport, Cedar Rapids, Des Moines, Sioux City, Council Bluffs,

Ottumwa and Burlington. Itinerant services are provided in Marshalltown, Carroll and Creston. We also have a full-time Intensive Service Coordinator in Des Moines. This position works with VA Vocational Rehabilitation to assist disabled Veterans enrolled in training programs.

In 2014, the US Department of Labor/Veterans Employment and Training Service (DOL-VETS) issued new guidance to the states regarding eligibility of Veterans for specialized services funded by DOL-VETS and provided by the Veteran Representatives. While all IWD staff is required to serve Veterans, the Vet Reps are allowed to only serve those who are considered to have a “significant barrier to employment (SBE)” or are age 18 to 24. Veterans accessing the One-Stop Centers are asked a series of questions to determine if they have an SBE. Veterans who don’t have an SBE are then seen by non-Vet staff.

- Are you a Veteran or the eligible spouse of a Veteran? Yes / No If yes, please respond to the following questions to determine if you are eligible to receive additional services from a Veteran’s representative.
- Are you receiving service-connected disability benefits from the VA? Yes / No
- Were you discharged or released from the military because of a service-connected disability? Yes / No
- Are you homeless, living in a shelter, or at risk of losing your current living arrangements? Yes / No
- Have you been released from active duty in the last three years? Yes / No
- If you answered yes to the above, have you been unemployed for 27 or more consecutive weeks in the previous 12 months? Yes / No
- Have you been released from a correctional institution in the last 12 months? Yes / No
- Do you have a high school diploma or equivalent certificate such as a GED? Yes / No
- Does your income in the last six months - excluding any military wages or disability benefits - exceed 70% of lower living standard income levels? Yes / No
- Are you aged 18 to 24? Yes / No
- Are you a member of the Armed Forces who is wounded, ill or injured and receiving treatment in a military treatment facility or warrior transition or the spouse or other family caregiver of such an Armed Forces member? Yes / No

Hilton HHonors

Iowa was the first state to join Hilton Worldwide’s HHonors program in May 2014. The hotel chain offers 100,000 free points for eligible Veterans, spouses and transitioning military members for stays at Hilton properties within the continental United States, Alaska and Hawaii. The points are intended for military members and their families while looking for employment, attending interviews, receiving skills training or house hunting.

A total of three Veterans received points in May and June, 2014:

- A Lieutenant Colonel who moved to Iowa for employment after retiring from the Air Force.
- A homeless Air Force veteran who found employment and housing after receiving the points, allowing him to move out of his car.
- A transitioning Naval officer who found employment. He wanted to work in Iowa, but wasn’t getting responses to applications submitted in Iowa. He is now working in

Wisconsin. “Although not in Iowa, everything about Company X is everything I anticipated and I definitely find it acceptable,” he said.

Many more Veterans have accessed the program since the start of Fiscal Year 2015. The Hilton HHonors initiative officially kicked off on Memorial Day weekend when Governor Branstad signed the Home Base Iowa legislation. Since then, Ohio, Pennsylvania, Minnesota and Washington State have joined the project, and other states are still in the development phase.

National Career Readiness Certificate (NCRC)

Iowa Workforce Development continues to expand use of ACT’s National Career Readiness Certificate, a WorkKeys program, throughout the state at one-stop centers, satellite offices, schools, and Virtual Technology locations. All Iowa residents, and Veterans, regardless of residence, are able to take the NCRC assessments at no cost through the “Skilled Iowa” initiative.

The NCRC program tests the comprehension level of an individual in three areas: “reading for information,” “locating information,” and “applied mathematics.” Individuals receive a platinum, gold, silver or bronze certificate based on their level of understanding in a given area. KeyTrain is also available at no cost to persons needing remediation before testing or wishing to improve their score. A total of 71,825 tests were administered from July 2013 through June 2014, and 20,968 certificates were awarded.

The certificates can be presented to employers as another tool to demonstrate the skills a particular worker possesses. The certificate is also being used widely with IWD’s ex-offender initiative at correctional facilities in Clarinda, Rockwell City, Newton and Mitchellville, and community based corrections in Des Moines and Waterloo, in PROMISE JOBS, Veterans services, and other employment and training activities.

Ex-Offender Initiative

The Ex-Offender Initiative operates in four Iowa correctional facilities. Working in partnership with the Department of Corrections, IWD workforce advisors provide services to inmates at the Clarinda, Mitchellville, Newton and Rockwell City prisons. This staff works with soon to be released ex-felons, with the goal of having them placed in a job before they leave prison. In Fiscal Year 2014, IWD also expanded services to community based correctional facilities for women in Des Moines and Waterloo who have completed their sentence, and are reintegrating into the workforce and community.

Work Opportunity Tax Credit

The Work Opportunity Tax Credit (WOTC) program is a Federal tax credit available to employers who hire individuals from eligible target groups with significant barriers to employment. WOTC reduces employer’s cost of doing business, requires minimal paperwork, and has a simple application process. This tax credit can reduce a business’ federal income tax liability by as much as \$9,600 per employee hired depending on the target group. There is no limit on the number of individuals an employer can hire to qualify for the credit. The target groups include: Veterans, TANF (Welfare) Recipients, SNAP (Food Stamp) Recipients, Designated Rural Renewal Counties, Vocational Rehab referrals, Ex-Felons, and SSI Recipients.

As the economy in Iowa has improved over the last few years, so has the usage of this tax credit – ranging from as little as 8,000 applications submitted annually to over 49,000 applications that Iowa receives now. Having an archaic system to process this increase in requests was not providing optimal customer service to the employers employing Iowans.

2014 marked the end of an era for WOTC application processing system in Iowa. Iowa has completely migrated to a user-friendly online web-based system where employers, tax consultants and internal WOTC staff have the ability to enter applications for processing. This system allows employers to follow the applications they submit through the review and processing phases and once completed, employers are able to print the required documentation to submit for the federal tax credit in a timelier manner. Many electronic verification checks are embedded into this system to assist in expediting the processing of an application. What used to take a minimum of 45 days to process can take as little as 48 hours to process depending on the target group being considered.

To gain a better understanding of the impact the web-based system is having on processing tax credit applications submitted by employers or their agents, internal staff at Iowa Workforce Development certified 14,365 applications during Federal Fiscal Year (FFY) 2013 using the former WOTC program system compared to the web-based system where staff has processed 44,097 for FFY2014. This new system, using the latest in virtual technology, positions Iowa to meet the needs of businesses employing Iowans who have the greatest barriers to securing employment opportunities.

Workforce Investment Act

The Workforce Investment Act (WIA) is a federally funded employment and training program designed to prepare adults, economically disadvantaged youth and dislocated workers for participation in the work force. The goal of WIA activities is to increase the employment, retention and earnings of participants, and increase occupational skill attainment by participants to improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation.

The Adult training program is designed to prepare adults (18 and older) for participation in the labor force by increasing their occupational and educational skills, resulting in improved long term employability, increased employment and earnings, and reduced welfare dependency. Three levels of service are available to adults: core services, intensive services, and training services. Adults must first receive core services before they can move on to intensive services, and must receive intensive services before they can move on to training services. Because Adult program funds are limited, priority in the provision of intensive and training services must be given to adults who are low income or welfare recipients. In the last reporting period, 58.7percent of those served found employment, and 81.8 percent retained the employment.

The Dislocated Workers program provides retraining and re-employment services to individuals who have been dislocated from their jobs, and to displaced homemakers. Employment services reach beyond basic job placement. Job seekers have access to computerized resource centers for career exploration, resume preparation, skills assessment and testing, job search, online work registration, and online unemployment insurance claims filing. Job seekers also have access to a variety of skill building workshops, job search assistance curriculum and individual case management. In the last

reporting period, 63.2 percent have obtained employment, and 83.9 percent retained that employment.

The Youth training program is designed to improve the long-term employability of youth (14 through 21), enhance the educational, occupational and citizenship skills of youth, encourage school completion or enrollment in alternative school programs, increase the employment and earnings, reduce welfare dependency, and assist youth to make a successful transition from school to work, apprenticeship, the military, or post-secondary education and training. Many regions throughout the state are striving to engage more out-of-school youth in providing support and services that will lead the youth to gainful employment. It is important that youth are employed in a field that not only interests them, but one in which they have the potential to obtain the skills and abilities to be successful. Data for that group shows 72.3 percent were engaged in educational activities, and 65.1 percent attained a degree or certificate.

Trade Adjustment Assistance (TAA)

The TAA program helps workers who have lost their jobs as a result of foreign trade. The TAA program offers a variety of benefits and services to eligible workers, including job training, income support, job search and relocation allowances, a tax credit to help pay the costs of health insurance, and a wage supplement to certain reemployed trade-affected workers 50 years of age and older.

As of December 31, 2014, Iowa has the following active and pending Trade Act petitions, including:

- Gits Manufacturing in Creston, including leased workers from Advance Services, Enterforce, Mid States Technical and Mindlance
- Cummins Filtration in Lake Mills, including leased workers from Manpower, Whelan Security and Apollo Security
- Alorica in Cedar Rapids and Ames
- IBM in Endicott, NY – telecommuter
- Ver-Rest Manufacturing in West Branch
- Rellim Business Solutions in Clermont, including leased workers from Manpower
- Relia Star Life Insurance in Minneapolis
- Quad Graphics in Dubuque
- Ocwen Loan Servicing/GMAC Mortgage in Waterloo
- Rockwell Collins in Cedar Rapids, including leased workers from Allegis Group Services
- Interstate Brands (Hostess), multiple sites in Iowa
- UPS in Des Moines
- Delta Air Lines in Sioux City
- S4 Carlisle Publishing in Dubuque
- Electrolux Major Appliances in Webster City and leased workers from Cornerstone and Per Mar
- Assurant Inc. in West Des Moines
- Charles Inc. in Council Bluffs
- Integrity Solutions Services in Decorah
- Rock Creek Athletics in Grinnell
- Soy Basics in New Hampton

- Lennox International in Marshalltown, including leased workers from Temp Associates and QPS Employment Group
- Hibu Inc. in Cedar Rapids, including leased workers from Aerotek, Insight Global, Office Team, People Share, Ranstad, The Creative Group, and TEK Systems
- Carl Zeiss Vision in Sheldon, including leased workers from Advantage Staffing
- Civco Medical Solutions in Kalona, including leased workers from Manpower, Aerotek, Volt and Team Staffing
- Evergreen Packaging in Clinton, including leased workers from Temp Associates

Communications & Labor Market Information

The Communications and Labor Market Information Division handles public relations, customer service and labor market and workforce information services for the agency. The division gather, analyzes, and publishes information on the economy, workforce, and occupations. The information is used by: businesses, economic developers, educators, job seekers, government planners and policy makers, grant writers, legislators, and students who use the data to make informed decisions. The Iowa Workforce Information Network (IWIN) is our website that contains most of the data.

In addition to regularly produced publications, staff provides customized analyses of the information that is collected, and develops products that meet specific customer needs. Below is a description of the products and programs that were embarked on during the past fiscal year.

Federal/State Cooperative Programs

The division works in tangent with the Federal Bureau of Labor Statistics (BLS) on four programs under a cooperative agreement to collect and disseminate information on the labor force and the economy. BLS is the federal agency in charge of research regarding labor market economics, collecting and analyzing employment, and industry and occupational data.

The cooperative programs require BLS to provide the funding, methodology and oversight while states are responsible for collecting, processing and analyzing data. The programs include: The Current Employment Statistics (CES), The Quarterly Census of Employment and Wages (QCEW), the Local Employment Dynamics (LED), and the Occupational Employment Statistics (OES).

The division receives a Workforce Information Grants to States (WIGS) from the Federal Employment and Training Administration (ETA) which administers federal government job training and worker dislocation programs, federal grants to states to provide policy and program guidance for the development, management, and delivery of Labor Market and Workforce Information. The division also partners with the U.S. Census Bureau on an additional program and is an affiliate of the State Data Center.

Current Employment Statistics (CES)

The program computes current employment and wage data that is used as a leading economic indicator. The system provides analysts with a comprehensive visual graphing capability, and facilitates the flow of data between the state, regional and national levels. The CES staff also had several tools to assist them in reviewing their monthly estimates throughout the preliminary, final and benchmark calculation processes. However, the National Office took over the role of data collection, analysis and publication from the states early in 2011. Currently, states are responsible for dissemination, partial data collection, entry of economic events, non-covered employment estimation and benchmarking.

Quarterly Census of Employment and Wages (QCEW)

The Quarterly Census of Employment and Wages (QCEW) program is in the midst of a national redesign. The new system developed by the BLS is tentatively scheduled for

release in 2020 and follows a decision to shift redesign control away from Utah and program in-house with BLS programmers. Details are still being discussed, but the early indication is that processing will be done using an Oracle-type database system with a web browser interface.

Local Employment Dynamics (LED) and 'On the Map'

This program, a cooperative effort between Iowa Workforce Development and the Longitudinal Employer-Household Dynamics (LEHD) program at the U.S. Census Bureau, has been redesigned to provide better graphics and more data analysis. Currently, Quarterly Workforce Indicator (QWI) data is available from 2000-2014 (1st quarter) and now includes a streamlined LED Extraction tool for gathering large, multi-variable datasets. The Quarterly Workforce Indicators (QWI) are economic indicators such as employment, job creation, earnings, and other measures of employment flows. The QWI are reported using detailed firm characteristics (geography, industry, age, size) and worker demographics information (sex, age, education, race, and ethnicity). 'On the Map' data currently provides demographic worker/resident data for the periods of 2002 through 2011, which has the ability to display employment trends in standard and self-described geographical areas. Version 4.0 of the On the Map for Emergency Management was developed to add expanded report content and provide real time data on areas of hurricanes, floods, wildfires and the FEMA Disaster Declaration Areas. Also, the National Weather Service Snowfall Probability Forecasts are now available. It also offers users an improved tool with newly added social, economic, and housing data from the American Community Survey (ACS), greater reporting flexibility, and variety of user interface enhancements.

Occupational Employment Statistics Wage Survey (OES)

The program collects detailed occupational wage and employment data on a sample of nearly 7,000 Iowa establishments. The surveys are conducted twice a year and require a response rate of 75 percent for each sampled area which includes four balance-of-state areas and the nine metropolitan statistical areas of: Ames, Cedar Rapids, Davenport-Moline-Rock Island, Des Moines-West Des Moines, Dubuque, Iowa City, Omaha-Council Bluffs, Sioux City and Waterloo. The OES survey covers all full-time and part-time wage and salary workers in nonfarm industries and does not cover the self-employed, owners and partners in unincorporated firms, household workers, or unpaid family workers.

The data provides detailed estimates on employment and wages for occupations. The OES survey has continued to receive more employer responses by way of electronic submissions which are generally received early in the survey panel.

Local Area Unemployment Statistics (LAUS)

The LAUS program provides monthly and annual estimates for the civilian labor force, employment, unemployment, and the unemployment rate by place of residence. Data is produced for the state, metropolitan statistical areas, micropolitan areas, combined statistical areas, counties, and cities with a population of 25,000 or more residents.

Beginning with the January of 2015 data LAUS will produce data with the 4th generation model. The review of the new model began in April 2014 and remains ongoing with BLS providing information to states for their review. In October of 2014 states participated in trial run of the system and went well.

States participated in a review of the substate methodology change during the first quarter of 2014. The change will allow states to process the data quicker due to reduction in the commuter area.

The Office of Management and Budget has announced that there will be changes to area definitions in 2015. The Bureau of Labor Static changes to Iowa's labor market areas will include:

- Plymouth County added to the Sioux City, IA –NE-SD Metropolitan Statistical Area (MSA)
- Hancock County added to the Ft. Madison-Keokuk Micropolitan Area
- Davis County added to the Ottumwa Micropolitan Area
- Louisa County added to the Muscatine Micropolitan Area
- Pella Micropolitan Area dropped and will become Marion County
- Fairfield Micropolitan Area being added as a new Micropolitan Area which will include Jefferson County
- Ames-Boone Combined Statistical Area will be added to the Des Moines-Newton-Pella Combined Statistical Area and will include the Ames MSA, Boone Micropolitan Area, Des Moines-West Des Moines MSA and Newton Micropolitan Area. It will be called the Des Moines-West Des Moines Combined Statistical Area.
- Cedar Rapids-Iowa City Combined Statistical Area will include the Cedar Rapids MSA and Iowa City MSA.
- Davenport-Moline, IA-IL Combined Statistical Area will include the Clinton Micropolitan Area and Davenport-Moline-Rock Island MSA.

Employment and Training Administration (ETA)

The Workforce Information Database provides states with a common structure for storing labor market information. The database is intended to serve as the cornerstone for information delivery, workforce research and product development for information that is standard and comparable across all states. The Workforce Information Database is the backbone for the Iowa Workforce Information Network (IWIN). An agreement with the State of Montana to replace the current LMI display system with Workforce Informer. Training will be planned for local office staff once the new system has been installed.

- Iowa prepared and disseminated long and short-term industry and occupational projections. Statewide and IWD regional long-term industry and occupational projections were created for the 2012-2022 time period.
- Statewide short-term projections were created for the 2013-2015 period will be developed for industries and occupations.
- The Bureau Chief and staff provided Career and LMI presentations and participated in career fairs during the year that encompassed participants preparing to leave high school or college, career changers, veterans, educators, and employers.
- Economic analysis reports and products were created which included: *Iowa's Workforce and the Economy*, *Status of the Iowa Workforce and Economy*, *Iowa Wage Survey 2013* and an *Electrolux Study*.

Other major LMI programs and activities that enhance the workforce evaluation and needs include:

Laborshed Studies

Laborshed Studies have assisted economic development efforts throughout the state for the past thirteen years and continue to be a unique tool utilized for retention and recruitment of business. The studies are conducted by Iowa Workforce Development (IWD) in partnership with the Iowa Economic Development Authority (IEDA), local development groups, utilities, community colleges, and local officials. A Laborshed is defined as the area or region from which an employment center draws its commuting workers regardless of natural or political boundaries.

These studies give communities the ability to document and illustrate the characteristics of their labor force, which is an effective tool for retaining and expanding existing businesses while also attracting prospective new employers into the area. The studies include potential labor force, availability and willingness to change/enter employment, occupations, wages, benefits, commuting distances, education, advertising sources for employers, out commute/ in commute, and underemployment.

In fiscal year 2014, 49 individual Laborshed studies and four regional analyses were completed. Industry-specific labor availability data was requested for business expansion and prospective recruitment for 246 different projects throughout Iowa.

Educational Outcomes Measures

IWD uses wage records from the state's unemployment insurance (UI) database to answer questions regarding the state's employment rate, earning levels, types of industry by gender and race, academic degrees, and types of programs. All of the wage data, as well as student records, are used for research purposes only, and are published as aggregated data to protect individuals' identities. This project was developed in cooperation with the Iowa Department of Education (DE) and Iowa community colleges. Through this partnership, an annual report was produced and published.

In addition, IWD provided 11 analytical reports for 10 different educational institutions across the state and the following departmental programs:

- Iowa Workforce Development, PROMISE JOBS
- Iowa Workforce Development, Dislocated Workers
- Iowa Vocational Rehabilitation
- Iowa Department of Education
 - Perkins Reporting
 - Pathways for Academic Career & Employment
 - Trade Assistance Community College and Career Training Program
- Iowa Department for the Blind
- Iowa Department of Human Services
- Governor's Office Registered Apprenticeships

Data sharing agreements have been established with the Department of Education, Department of Corrections, Vocational Rehabilitation Services, Department for the Blind,

Criminal and Juvenile Justice Planning in the Department of Human Rights, U.S. Department of Labor's Office of Apprenticeships, all 15 community college districts in Iowa, select private and regent colleges and the States of Nebraska and South Dakota.

Unemployment Insurance Statistical Data

Unemployment Insurance (UI) statistical data are collected to meet federal workload reporting requirements and determine triggers for the federal extended benefits programs. They are also used for federal performance measures and to describe the size and scope of the UI program on local economies.

Statewide UI Initial claims are a key economic indicator. They are published weekly for Iowa and are combined with other states and published by the U. S. Department of Labor as an important national economic indicator. Local data available includes monthly UI benefits paid by county.

UI data is also used to evaluate the ability of the Unemployment Insurance Trust Fund to pay future UI benefits under various economic assumptions and determines if the fund balance is sufficient to continue to pay benefits through an economic downturn. Special UI research studies are used to study the effect of proposed law changes on the UI trust fund, benefits paid and employer contributions collected.

Other Workforce Surveys:

Workforce Needs Assessment Survey

The Workforce Needs Assessment Survey data collection did not occur in fiscal year 2014, with time spent on redesigning the methodology and providing customized analyses as requested by local and regional economic development and education organizations.

Employers provide information regarding their benefits packages, current level of employment, current and expected job vacancies by industry or employment size of business. The goal of the survey is to collect and analyze data regarding the demand for workers and the skills required of workers in the area.

This information can be used by economic developers, government agencies, employers, and the Department of Education (DE) to guide their decision making on issues related to workforce development, vocational training, and employee recruitment. Responses to the survey are detailed in a statewide report, and 18 individual regional area reports.

Dislocated Worker Analysis

When an organization has a mass layoff event, Iowa Workforce Development holds a rapid response information session, usually at the location of the business. During this session, IWD staff asks participants to complete a dislocated worker survey. The information from these surveys are aggregated and analyzed and distributed in the form of the Dislocated Worker Fact Sheets.

In fiscal year 2014, the Regional Research and Analysis Bureau completed 32 individual dislocated worker fact sheets. These fact sheets provide workforce office staff, employers and prospective businesses with information about affected workforce in the area. There is

demographic information, along with median salaries, education level, work experience, and advertising utilization. For workforce professionals the fact sheet also compiles information about the interest workers have in training programs designed to improve their knowledge and find new employment.

Iowa has also been leading a 10-state initiative designed to create and utilize a common dislocated worker survey. The group, with the support of DOL/ETA, has been successful in the creation and utilization of this common worker survey in all ten states to date. Future projects for this initiative include a regional database of workers and a pre-event employer survey.

Workers' Compensation

The Workers' Compensation Division has three core functions: adjudication of disputed workers' compensation claims, enforcement of compliance standards, and education of lowans about workers' compensation law and procedures. The Commissioner oversees this division of Iowa Workforce Development. The division continued to reassess and revise its processes during FY14 in order to provide more prompt adjudication and effective compliance enforcement. The division has also invested significant time to map our processes to prepare for much needed technological advances. The Workers' Compensation Division staff continued an emphasis on providing statewide educational presentations to assist businesses and workers understand our state's workers' compensation laws. In addition, the division continually strives to update the website which provides information to thousands of visitors.

The deputy commissioners conducted 643 contested case hearings and issued 675 decisions. The average time for a case to remain pending from the date of the initiating petition until issuance of the decision was decreased from 588 to 526 days. It must be noted that for a significant portion of the fiscal year the deputy commissioner staff was reduced from 12 to 11 due to hiring delays. The average time from hearing to decision was decreased from 114 to 109 days.

Annual reports showing claim adjusting actions were required to be filed via Electronic Data Interchange (EDI) protocols. The division once again continued to focus increased compliance enforcement by actively enforcing the requirements for filing first reports of injury.

HEARING-LEVEL ADJUDICATION

Adjudication occurs when a dispute arises over an employee's entitlement to benefits. Most injury claims are resolved without adjudication. Annually, over 20,000 injuries are reported, however, in FY14 only 4,981 petitions for benefits were filed.

Workers' Compensation adjudication procedures resemble those used in the district court for non-injury cases. An injured worker files a petition seeking benefits. A period for preparing the case for hearing through motions, discovery and investigation follows. The deputy commissioners conduct hearings to decide claims in Des Moines or one of seven other cities around the state. The average time from the date of hearing to the date the decision was issued is 109 days.

Case inventories and waiting time had been increasing regularly prior to FY03. At the end of FY02 the inventory was 6,579 cases, the time for resolution averaged 651 days and the time from hearing to decision averaged 75 days. Rules that govern preparing cases for hearing and scheduling hearings were amended in FY05. The time consumed to resolve cases is directly related to the size of the inventory and number of staff. Further improvement is expected as the staff continues to reduce the existing inventory, if budgetary cuts are not continued.

APPEAL-LEVEL ADJUDICATION

Any party dissatisfied with a deputy commissioner's decision may appeal to the commissioner for a de novo review of the case. The large number of decisions at the hearing level produced a large number of appeals. Staff that formerly assisted the commissioner with appeals was shifted in 2003 to hearing-level adjudication so fewer people would be impacted by delay. The average monthly inventory of pending appeal cases increased in FY14 from 141 to 148. Since the Commissioner resigned on August 23, 2014, the number of appeal decisions issued has declined. An Acting Workers' Compensation Commissioner was not appointed until September 9, 2014. No appeal decisions were written between August 23, 2014 and September 9, 2014.

COMPLIANCE

Compliance administrators monitor injury and claim payment reporting, acting as ombudsmen. The requests for information about workers' compensation law decreased slightly from 12,297 in FY13 to 11,431 in FY14. They reviewed 4,600 settlements for approval. As time allows, the division of workers' compensation coordinates with the Division of Labor to enforce proof of coverage compliance. Injury and claim payment data is reported to the agency using the Electronic Data Interchange (EDI) protocol. In the future, the EDI database will be used to monitor claim payment practices as part of the compliance plan. The compliance staff has been reduced from 6 to 3 full-time employees in recent years due to budget cuts.

EDUCATION

The division provides information about workers' compensation law and procedures to the public on the web, including news and updates, EDI materials, weekly benefit schedules, summaries of recent appeal decisions and access to the hearing schedule. The division issues publications that disseminate information about workers' compensation law and procedures at meetings, conferences or seminars for attorneys, insurance personnel, nurses, employee groups and employer groups.

ONLINE FILING AND DOCKET SYSTEM

The Division of Workers' Compensation had been working on for the implementation of an electronic compliance and litigation system. The system has been designed and the code has been written by our vendor. The remaining work is to migrate existing data from our Mainframe into the new application and then perform several rounds of user acceptance testing of the application.

Unfortunately there were complications that developed between the vendor and the IT Department at the Iowa Department of Workforce Development. This Acting Workers' Compensation Commissioner was not privy to the complications that developed. It appears, early in 2014, work on the project ceased. Former Commissioner Godfrey was to schedule a meeting between an Assistant Attorney General for the State of Iowa and an attorney for the vendor. The meeting was tentatively scheduled for June or July 2014. However, the meeting never occurred. To date, nothing additional has been done on the project. A decision must be made once a commissioner has been confirmed.

ENFORCEMENT

The Division of Workers' Compensation has increased its focus on requirements to file First Reports of Injury and assessing \$1,000.00 fines for failure to do so. The Division hopes to

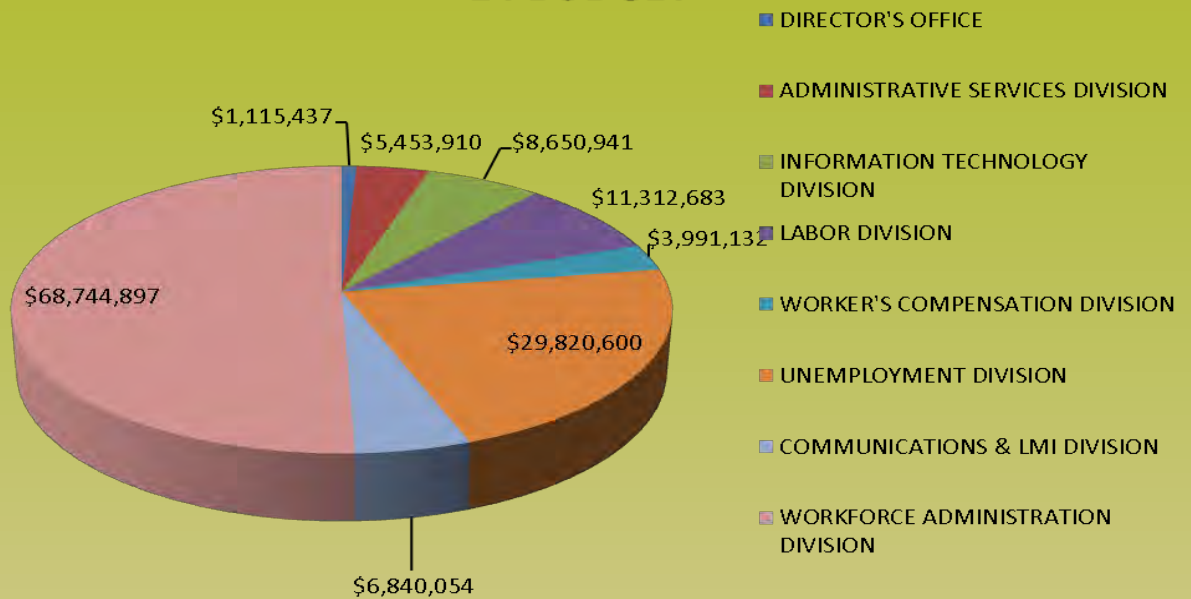
enforce 86.13A assessments for late commencement of benefits through the compliance division once the new computer system is successfully launched.

| Average Days from Petition to Decision | |
|--|-----|
| FY 2005 | 607 |
| FY 2006 | 569 |
| FY 2007 | 502 |
| FY 2008 | 473 |
| FY 2009 | 437 |
| FY 2010 | 477 |
| FY 2011 | 513 |
| FY 2012 | 453 |
| FY 2013 | 553 |
| FY 2014 | 526 |

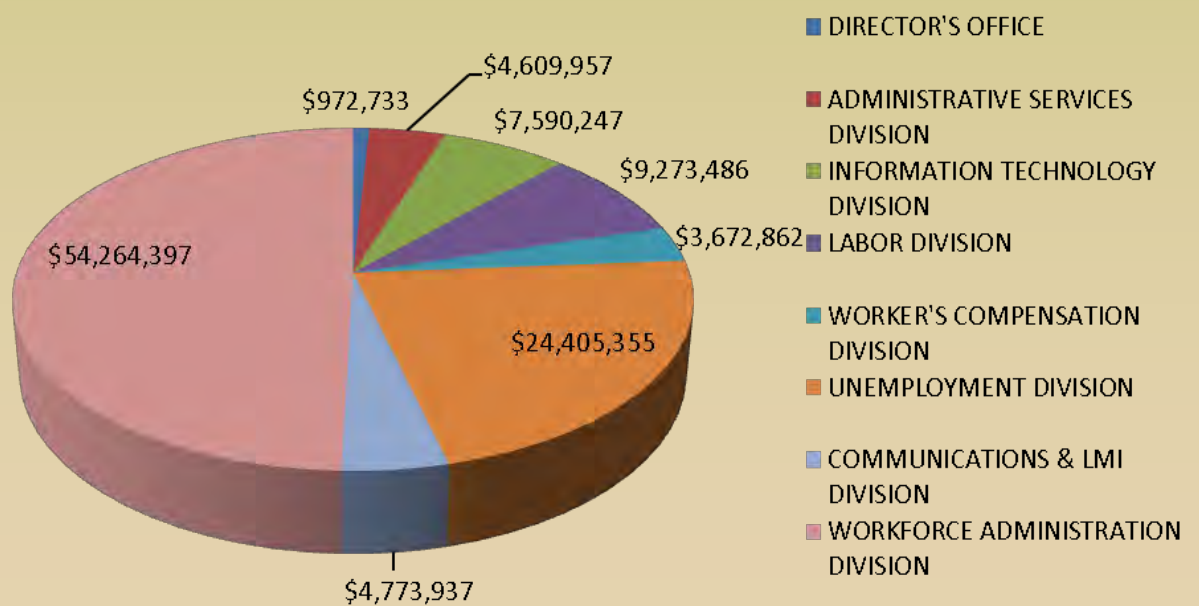
| Average Days from Hearing to Decision | |
|---------------------------------------|-----|
| FY 2005 | 50 |
| FY 2006 | 73 |
| FY 2007 | 75 |
| FY 2008 | 53 |
| FY 2009 | 56 |
| FY 2010 | 84 |
| FY 2011 | 79 |
| FY 2012 | 77 |
| FY 2013 | 114 |
| FY2014 | 109 |

Budget & Expenditure Report by Division Fiscal Year 2014

'14 BUDGET



'14 EXPENTITURES



Budget & Expenditure Report by Program

Fiscal Year 2014

| | FY2014 BUDGET | FY2014 EXPENDITURES |
|--|---------------|---------------------|
| US DEPARTMENT OF LABOR-ETA | | |
| FOREIGN LABOR CERTIFICATION | \$10,055,686 | \$355,434 |
| ALTERNATIVE TRADE ADJ AST. | \$611,290 | \$345,998 |
| DISABILITY GRANT | \$6,940,054 | \$4,865,308 |
| GOVERNOR'S 10% | \$4,220,298 | \$142,060 |
| REED ACT, TAX REDESIGN | \$776,194 | \$0 |
| TRADE ADJUSTMENT ASSISTANCE | \$12,030,481 | \$10,287,994 |
| UNEMPLOYMENT, MODERNIZATION | \$4,841,463 | \$4,080,363 |
| UNEMPLOYMENT, AUTOMATION | \$20,413,442 | \$15,155,566 |
| UNEMPLOYMENT, BASE | \$47,965,622 | \$38,568,868 |
| UNEMPLOYMENT, REA | \$805,092 | \$743,800 |
| UNEMPLOYMENT, REA/RES, EUC | \$8,141,346 | \$2,277,860 |
| VETERANS PROGRAMS | \$1,045,670 | \$269,963 |
| WAGNER PEYSER | \$7,726,704 | \$7,061,096 |
| WORK OPP TAX CREDIT (WOTC) | \$46,746 | \$46,554 |
| WORKFORCE INVESTMENT ACT | \$2,411,273 | \$493,338 |
| US DEPARTMENT OF LABOR - OSHA | | |
| OSHA, 100% | \$371,072 | \$103,323 |
| OSHA, 50-50 | \$1,839,094 | \$818,423 |
| OSHA, 90-10 | \$1,469,422 | \$960,477 |
| US DEPARTMENT OF LABOR - BLS | | |
| BUREAU LABOR STATS, COF 50-50 | \$115,000 | \$173,706 |
| BUREAU LABOR STATS, ROSH, 50-50 | \$138,995 | \$48,878 |
| CURRENT EMPLOYMENT STATS (CES) | \$587,562 | \$42,742 |
| DATA QUALITY INITIATIVE | \$310 | \$191 |
| EMPL & WAGE CENSUS (ES-202) | \$697,004 | \$516,722 |
| EMPLOYMENT STATISTICS (ACES) | \$50,000 | \$25,001 |
| LOCAL AREA UNEMPL STATS (LAUS) | \$179,129 | \$161,360 |
| MASS LAYOFF STATS (MLS) | \$209,675 | \$121,048 |
| OCCUPATIONAL EMPL STATS (OES) | \$153,595 | \$32,574 |
| AAMC QUARTERLY CENSUS | \$465,289 | \$425,595 |
| ONE STOP LABOR MARKET INFO | \$100,000 | \$100,000 |
| DEPT OF HEALTH AND HUMAN SVS | | |
| FA E & T PROGRAM | \$0 | \$0 |
| PROMISE JOBS | \$2,972,369 | \$1,755,068 |
| SOCIAL SECURITY, WIPA GRANT | \$13,853,224 | \$12,477,931 |
| STATE GENERAL FUND | | |
| STATE APPROPP, LABOR | \$12,125,970 | \$9,965,690 |
| STATE APPROP, FIELD OPS & CAR- RYOVER | \$333,000 | \$477,088 |
| STATE APPROP, WORK COMP | \$2,391,700 | \$2,222,045 |
| STATE APPROP, OFFENDER PRG | \$500,549 | \$436,295 |
| STATE APPROP, MISCLASSIFICATION | \$50,000 | \$41,547 |
| STATE APPROP, AMOS | \$80,000 | \$63,988 |
| STATE APPROP, I3 SYSTEM | \$257,441 | \$261,138 |
| PENALY AND INTEREST, APPROP, FIELD | \$100,000 | \$53,598 |

| | FY2014 BUDGET | FY2014 EXPENDITURES |
|----------------------------------|--------------------|---------------------|
| OTHER SOURCES | | |
| ATHLETIC COMMISSION | \$10,000 | \$0 |
| BOILER INSPECTIONS | \$0 | \$0 |
| ELEVATOR INSPECTIONS | \$140,522 | \$84,344 |
| CONTRACTOR REGISTRATION | \$14,403 | \$10,744 |
| INDIRECT RESERVE FUND | \$180,587 | \$174,167 |
| LABOR COMMISSION, MISC RECEIPTS | \$94,658 | \$103,329 |
| LABOR BENEFIT SURVEYS, RECEIPTS | \$230,000 | \$210,004 |
| LABOR SURVEYS | \$279,706 | \$301,053 |
| UPJOHN | \$500,000 | \$0 |
| NORTH CAROLINA ALMIS | \$228,864 | \$211,545 |
| MANDATORY EDUCATION REPORTING | \$15,318 | \$5,826 |
| EDUCATIONAL OUTCOMES | \$782,457 | \$0 |
| PENALTY AND INTEREST, OTHER | \$22,399,190 | \$6,722,884 |
| RESERVE FUND INTEREST | \$75,000 | \$70,224 |
| LABOR MARKET INFO, MISC RECEIPTS | \$197,817 | \$147,200 |
| VETERANS POLICY ACADEMY | \$4,711,437 | \$4,340,724 |
| TICKET TO WORK | \$1,956,084 | \$803,974 |
| WORK COMP, OTHER REVENUE | <u>\$2,035,168</u> | <u>\$1,996,693</u> |

NOTES



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