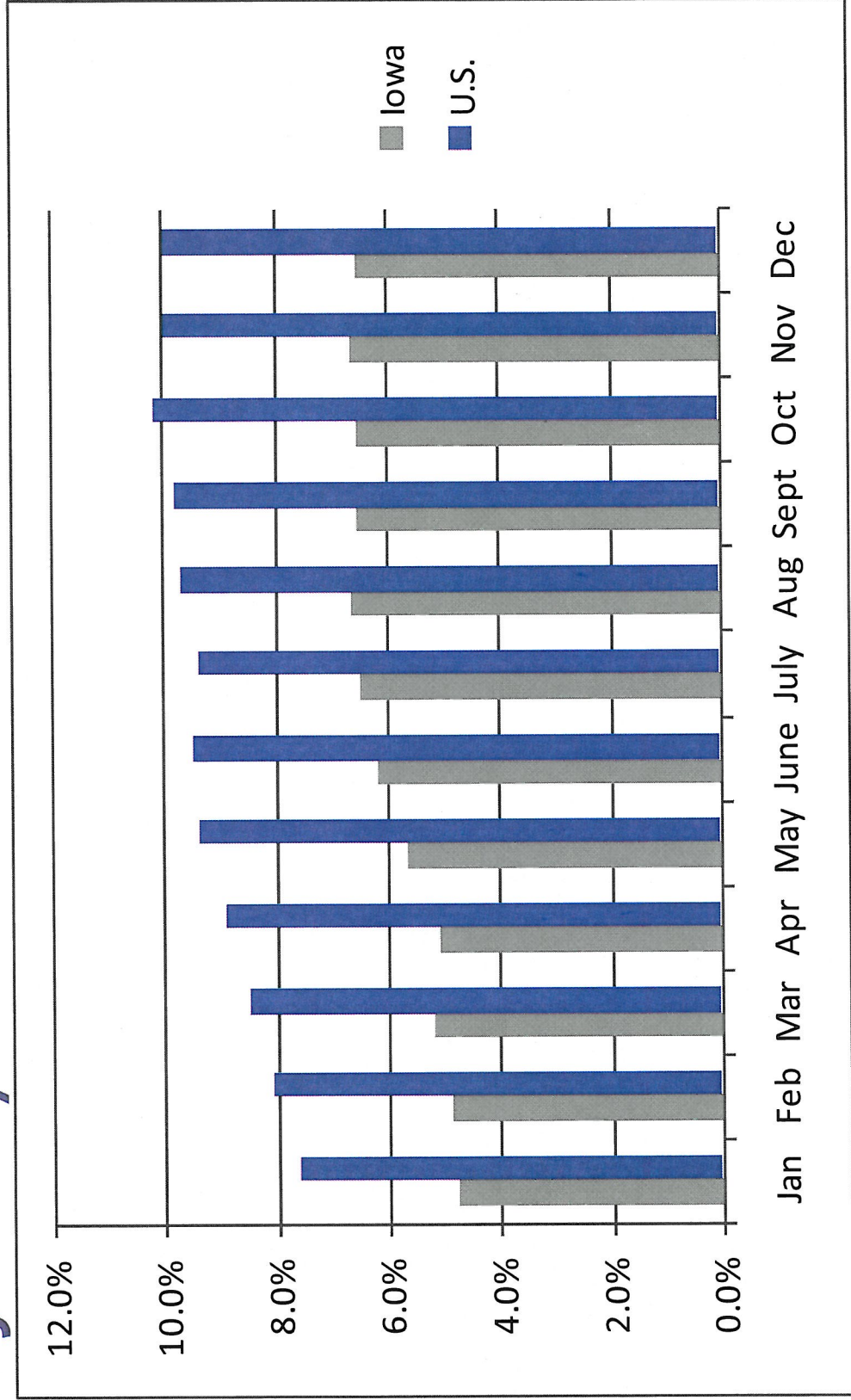




Economic Development  
Appropriations Subcommittee  
February 2, 2010

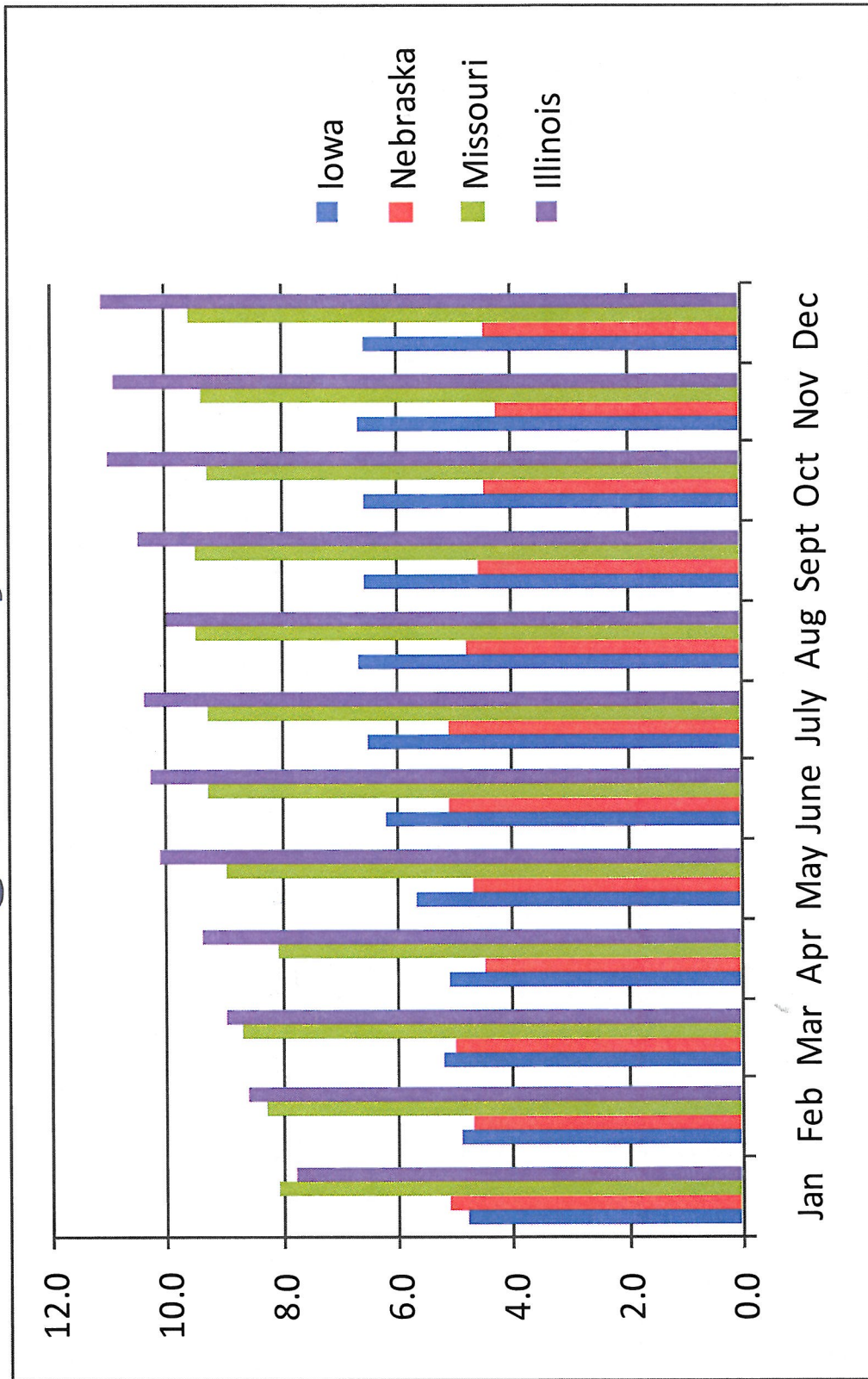
IOWA<sup>®</sup>  
**WORKFORCE**  
DEVELOPMENT

# Iowa and U.S. Unemployment Rates January-November 2009



Source: Labor Market and Workforce Information Division, Iowa Workforce Development.

# Unemployment Rates for Iowa and Surrounding States, Jan-Nov 2009



Source: Labor Market and Workforce Information Division, Iowa Workforce Development



# Iowa's Employment Situation

## Iowa Regular Unemployment Insurance Claims

Week Ending	1/30/2010	1/31/2009
Initial Claims	8,343	12,781
Continued Weeks Claimed	61,868	64,481

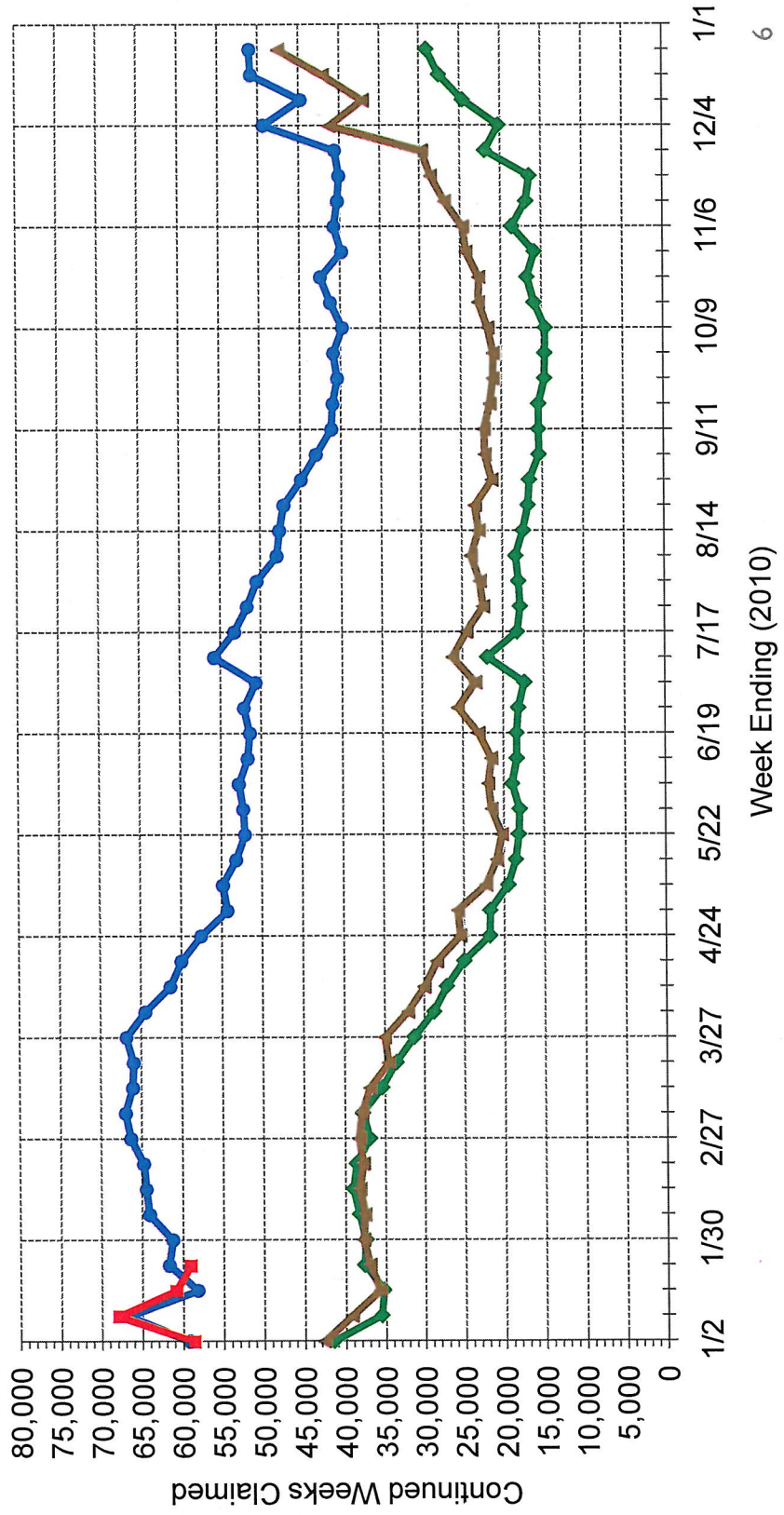
## Iowa Emergency Unemployment Compensation

Week Ending	1/30/2010	1/31/2009
Initial Claims	1,341	806
Continued Weeks Claimed	37,855	9,742

# Unemployment Insurance Claims and Benefits

## Continued Weeks Claimed For Unemployment Insurance

Iowa Regular State UI Program



Week Ending (2010)

# Total Unemployment Insurance Benefits Paid

	Regular Unemployment Insurance	Emergency Unemployment Compensation	Economic Stimulus Payments	Total Benefits Paid
2008	421,486,477	54,094,520	0	475,580,997
2009	788,089,658	300,821,971	80,411,464	1,180,015,281



## Iowa Economy Facts

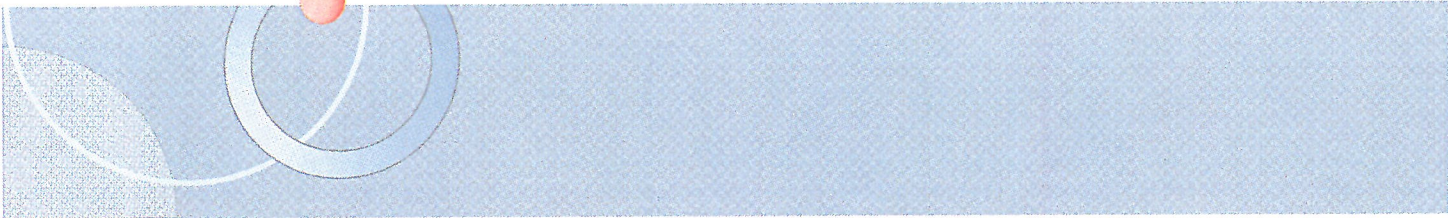
- Dec 2007 to Dec 2009, Iowa lost 56,000 jobs, equal to 3.7% of Iowa's nonfarm employment. The U.S. lost 7.3 Million jobs or 5.2 percent of nonfarm employment
- Iowa's education and health services is the most resilient sector and continues to expand.





## Iowa Economy Facts cont'd


- 50 percent of Iowa's job losses are in manufacturing, particularly in durable goods (appliances, construction equipment, automotive parts, etc.)
- Following 2001 recession, Iowa never fully recovered pre-recession manufacturing employment losing 20,000 jobs.
- Construction and business services follow manufacturing in job losses.



# IWD Priorities



# Paying Benefits Timely and Maintaining Service Delivery



# Transforming the Service Delivery Model in Workforce Centers to Help lowans Connect with Work



## Other Priorities

- Extending federal Emergency Unemployment Compensation and Federal Additional Compensation
- Upskilling and Educational Initiatives
- Misclassification
- Offender Reentry Program
- Reemployment Services and Reemployment Eligibility and Assessment
- Voluntary Shared Work
- Grant Opportunities and Federal Funding

## Questions for the Economic Development Appropriations Subcommittee

- 1) Do you plan on raising fees (either by rule or legislatively)?

No.

- 2) Has your department already raised fees by rule?

No.

- 3) Do you plan on changing the way you collect fees or fines?

IWD, Division of Workers Compensation, may be assessing fines for compliance violations under Iowa's Workers' Compensation Law (86.13a). Our new computer system will assist in that effort.

- 4) What recommendations did you provide to the consultant that did not appear in Public Works' proposal?

*Sustain Streamlined Process for Collection of Delinquent Unemployment Taxes:* IWD has identified projected annual cost savings of \$3,640 and a projected annual revenue increase of \$143,929 through streamlining the process for collection of delinquent unemployment taxes. The savings go to the unemployment insurance trust fund. The cost savings resulted from improved certified mail practices, and the revenue resulted from increased distress warrant submissions. Because of its computer system, IWD was unable to identify cost savings through jeopardy assessments or liens, which have had projected increased filings of 25.7% and 17.9% respectively.

- 5) How did you arrive at the savings figure for each item that did appear in Public Works' report?

The numbers were primarily calculated by Public Works. For the Workers Compensation assessments piece, the estimate was based on anticipated fines.

- 6) What recommendations did you provide the Governor or Public Works that did not appear in the State Government Reorganization bill (HSB 565 / SSB 3030)?

None.

- 7) How did you arrive at the savings figure for each item that appears in the State Government Reorganization bill (HSB 565 / SSB 3030)?  
IWD didn't participate in the calculation of any of the figures.
  
- 8) Are there any areas in your department that could be privatized or outsourced?  
No.
  
- 9) Provide the subcommittee with a one pager that outlines all expenditures and revenues to the department (all funds, not just general fund dollars)  
The information requested could not be provided on one page. Please see the budget pages submitted herewith.

# Status of the Iowa Workforce and Economy

Reference Month	Statewide News Release	Local Area News Release
Dec	Jan 27	Jan 27
Jan	Mar 11	Mar 11
Feb	Mar 24	Mar 24
Mar	Apr 17	Apr 21
Apr	May 22	May 26
May	June 19	June 23
June	July 17	July 21
July	Aug 21	Aug 25
Aug	Sept 18	Sept 22
Sept	Oct 21	Oct 21
Oct	Nov 20	Nov 24
Nov	Dec 18	Dec 22
Dec	Jan 22	Jan 26

	Average Employment	Percent Change from Prior Qtr
2008 - Qtr 1	1,526,600	0.1%
Qtr 2	1,525,000	-0.1%
Qtr 3	1,524,600	0.0%
Qtr 4	1,516,600	-0.5%
2009 - Qtr 1	1,503,100	-0.9%
Qtr 2	1,483,900	-1.3%
Qtr 3	1,477,500	-0.4%
Qtr 4	1,476,600	-0.1%

## IOWA WORKFORCE DEVELOPMENT

Information Prepared by  
Labor Force and Occupational  
Analysis Bureau

1000 East Grand Avenue  
Des Moines, Iowa 50319-0209

Phone: 515-242-5862  
Fax: 515-281-8203

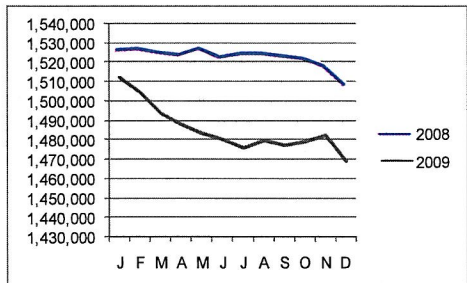
Jude E. Igbokwe, Ph.D.  
LMI Director, Labor Market and  
Workforce Information  
Division

- The state's seasonally adjusted unemployment rate declined slightly to 6.6 percent in December from 6.7 percent in November. One year ago, Iowa's jobless rate was reported at 4.4 percent.

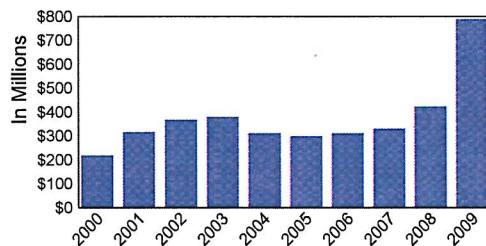
- Iowa's current pool of 110,800 unemployed workers continues to face a very difficult job search. In December, 27.5 percent of the state's unemployed had been without jobs for 27 weeks or longer.

- The U.S. unemployment rate held steady at 10.0 percent in December. The fact that 661,000 discouraged workers left the labor force kept the national jobless rate from climbing higher. One year ago, the U.S. rate was 7.4 percent.

Total Nonfarm Employment - Iowa

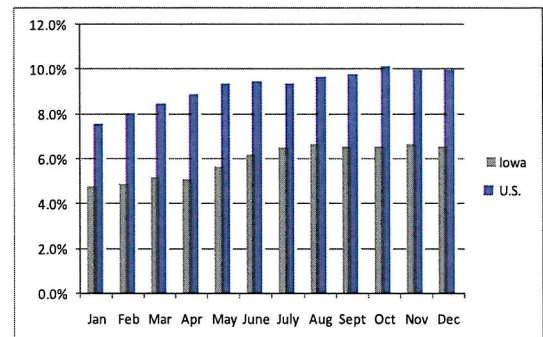


Unemployment Insurance Benefits Paid State Regular UI Programs



- Total nonfarm employment in Iowa decreased by 13,200 in December, dropping the total to 1,468,800.
- Trade and transportation lost the most jobs in December at 4,200. Losses for the sector were concentrated in retail trade, which posted poor hiring numbers for the holiday hiring season.
- Manufacturing continued to lead all sectors in terms of over-the-year losses, which totaled 19,900 since last December.
- The current impediments to hiring are high debt, a weak housing market, and the reluctance of households and businesses to spend. There is little hiring going on outside the temporary help industry.

Iowa and U.S. Unemployment Rates - 2009





**IOWA WORKFORCE DEVELOPMENT  
BUDGET SUMMARY BY DIVISION**

<u>DIVISION AND BUREAU</u>	SFY 2011		SFY 2010		SFY 2010		SFY 2010
	<u>REVENUE</u>	<u>REQUIREMENTS</u>	<u>Unexpended</u>	<u>REVENUE</u>	<u>REQUIREMENTS</u>	<u>Unexpended</u>	<u>Unexpended</u>
<u>Director's Office</u>							
Administration	\$ 907,451	\$ 907,451	\$ -	\$ 916,459	\$ 916,459	\$ -	
Appeals	\$ 3,060,765	\$ 3,060,765	\$ -	\$ 2,925,892	\$ 2,925,892	\$ -	
Communications Bureau	\$ 1,001,187	\$ 1,001,187	\$ -	\$ 958,852	\$ 958,852	\$ -	
Information Technology Bureau	\$ 6,671,965	\$ 6,671,965	\$ -	\$ 6,667,740	\$ 6,667,740	\$ -	
Workforce Development Board	\$ 17,178	\$ 17,178	\$ -	\$ 17,178	\$ 17,178	\$ -	
<b>Sub-Total</b>	<b>\$ 11,658,546</b>	<b>\$ 11,658,546</b>	<b>\$ -</b>	<b>\$ 11,486,121</b>	<b>\$ 11,486,121</b>	<b>\$ -</b>	
<u>Administrative Services Division</u>							
Administration	\$ 1,606,001	\$ 773,442	\$ 832,559	\$ 3,126,614	\$ 739,171	\$ 2,387,443	
Employee Services Bureau	\$ 317,786	\$ 317,786	\$ -	\$ 303,030	\$ 303,030	\$ -	
Financial Management Bureau	\$ 2,923,544	\$ 2,923,544	\$ -	\$ 2,855,614	\$ 2,855,614	\$ -	
Internal Services Bureau	\$ 1,409,607	\$ 1,409,607	\$ -	\$ 3,013,668	\$ 3,013,668	\$ -	
Overhead	\$ 1,156,162	\$ 1,156,162	\$ -	\$ 1,122,487	\$ 1,122,487	\$ -	
<b>Sub-Total</b>	<b>\$ 7,413,100</b>	<b>\$ 6,580,541</b>	<b>\$ 832,559</b>	<b>\$ 10,421,413</b>	<b>\$ 8,033,970</b>	<b>\$ 2,387,443</b>	
<u>Labor Market &amp; Workforce Information Division</u>							
Administration	\$ 105,450	\$ 105,450	\$ -	\$ 90,630	\$ 90,630	\$ -	
Employment Statistics Bureau	\$ 1,729,031	\$ 1,729,031	\$ -	\$ 1,767,591	\$ 1,767,591	\$ -	
Labor Force & Occupational Analysis Bureau	\$ 1,868,701	\$ 1,868,701	\$ -	\$ 1,857,178	\$ 1,857,178	\$ -	
Regional Research & Analysis Bureau	\$ 1,296,975	\$ 1,296,975	\$ -	\$ 1,894,598	\$ 1,894,598	\$ -	
<b>Sub-Total</b>	<b>\$ 5,000,157</b>	<b>\$ 5,000,157</b>	<b>\$ -</b>	<b>\$ 5,609,997</b>	<b>\$ 5,609,997</b>	<b>\$ -</b>	
<u>Labor Services Division</u>							
Administration	\$ 317,187	\$ 242,187	\$ 75,000	\$ 728,598	\$ 228,598	\$ 500,000	
Management Information	\$ 465,099	\$ 465,099	\$ -	\$ 457,884	\$ 457,884	\$ -	
Occupational Safety and Health	\$ 1,447,943	\$ 1,447,943	\$ -	\$ 1,386,491	\$ 1,386,491	\$ -	
OSHA Consultation and Education	\$ 3,100,070	\$ 3,100,070	\$ -	\$ 2,964,295	\$ 2,964,295	\$ -	
Safety and Inspection	\$ 4,804,569	\$ 2,504,569	\$ 2,300,000	\$ 4,077,584	\$ 2,327,584	\$ 1,750,000	
Legal Resources/Wage Collection	\$ 1,463,967	\$ 1,463,967	\$ -	\$ 1,303,575	\$ 1,303,575	\$ -	
<b>Sub-Total</b>	<b>\$ 11,598,835</b>	<b>\$ 9,223,835</b>	<b>\$ 2,375,000</b>	<b>\$ 10,918,427</b>	<b>\$ 8,668,427</b>	<b>\$ 2,250,000</b>	

<u>DIVISION AND BUREAU</u>	<u>SFY 2011</u>		<u>SFY 2011</u>		<u>SFY 2010</u>		<u>SFY 2010</u>	
	<u>REVENUE</u>	<u>REQUIREMENTS</u>	<u>Unexpended</u>	<u>REVENUE</u>	<u>REQUIREMENTS</u>	<u>Unexpended</u>	<u>REVENUE</u>	<u>Unexpended</u>
<u>Unemployment Insurance Services Division</u>								
Administration	\$ 11,578,354	\$ 5,828,354	\$ 5,750,000	\$ 11,060,962	\$ 5,795,684	\$ 5,265,278		
Modernization	\$ 5,058,171	\$ 5,058,171						
Special Projects	\$ 358,184	\$ 358,184		\$ 1,070,151	\$ 1,070,151			
Tax Bureau	\$ 14,388,180	\$ 14,388,180		\$ 17,449,970	\$ 10,049,970	\$ 7,400,000		
Quality Control Bureau	\$ 1,008,039	\$ 1,008,039		\$ 963,615	\$ 963,615			
Benefits Bureau	\$ 9,528,203	\$ 9,528,203		\$ 9,172,553	\$ 9,172,553			
<b>Sub-Total</b>	<b>\$ 41,919,131</b>	<b>\$ 36,169,131</b>	<b>\$ 5,750,000</b>	<b>\$ 39,717,251</b>	<b>\$ 27,051,973</b>	<b>\$ 12,665,278</b>		
<u>Workers' Compensation Division</u>								
Administration	\$ 774,196	\$ 774,196		\$ 1,401,033	\$ 1,401,033			
Adjudication	\$ 2,376,520	\$ 2,376,520		\$ 2,266,005	\$ 2,266,005			
Compliance	\$ 564,471	\$ 564,471		\$ 538,289	\$ 538,289			
<b>Sub-Total</b>	<b>\$ 3,715,187</b>	<b>\$ 3,715,187</b>		<b>\$ 4,205,327</b>	<b>\$ 4,205,327</b>			
<u>Workforce Development Center Division</u>								
Administration	\$ 3,478,879	\$ 2,978,879	\$ 500,000	\$ 5,630,082	\$ 4,130,082	\$ 1,500,000		
Field Office Bureau	\$ 46,141,254	\$ 41,329,088	\$ 4,812,166	\$ 53,675,974	\$ 41,915,116	\$ 11,760,858		
Targeted Service Bureau	\$ 37,762,132	\$ 37,762,132		\$ 64,290,085	\$ 64,290,085			
<b>Sub - Total</b>	<b>\$ 87,382,265</b>	<b>\$ 82,070,099</b>	<b>\$ 5,312,166</b>	<b>\$ 123,596,141</b>	<b>\$ 110,335,283</b>	<b>\$ 13,260,858</b>		
<b>Total</b>	<b>\$ 168,687,221</b>	<b>\$ 154,417,496</b>	<b>\$ 14,269,725</b>	<b>\$ 205,954,677</b>	<b>\$ 175,391,098</b>	<b>\$ 30,563,579</b>		

<b>FULL TIME EQUIVALENT POSITIONS (FTE's)</b>	<b>951.63</b>	<b>977.83</b>
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Chester J. Culver, Governor

Patty Judge, Lt. Governor

David Neil, Labor Commissioner



## 2009 LABOR ACTIVITY

*Smart. Results.*

Division of Labor Services

- Iowa OSHA Enforcement
  - No. of Inspections – 1,013
  - Fines Collected - \$2,004,855.00
- Iowa OSHA Consultation
  - No. of Consultations – 382 covering 17,554 Employees
  - No. of Hazards identified – 1,591
- 2009 Fatalities Covered under OSHA Worksites – 15
- 2008 Workplace Accident and Illness Rate per 100 Workers – 5.0
- Child Labor
  - No. of Permits – 5,304
- Wage
  - No. of Cases filed – 981
  - No. of Cases settled – 1,037
- Security Training (Pilot Program)
  - Classes held – 4
  - No. Trained – 66
- Amusement Ride
  - No. of Permits – 558
- Elevator
  - No. of Inspections – 6,210
  - No. of Inspections by Others – 2,241
- Boiler
  - No. of Inspections – 4,315
  - No. of Inspections by Others – 18,562
- Contractor Registration
  - No. of Registered Contractors – 19,547
  - No. of Enforcement Contacts since 7-01-09 – 268
  - No. of Pending Enforcement Cases since 07-01-09 – 35
- Athletic Commission
  - No. of Licenses issued - 99

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Division of Labor Services

1000 East Grand Avenue • Des Moines, Iowa 50319-0209 • Phone (515) 281-3606 • 800-562-4692 • Fax (515) 281-7995  
[www.iowaworkforce.org/labor](http://www.iowaworkforce.org/labor)

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For deaf and hard of hearing, use Relay 711.



## Appropriations to Division of Workers' Compensation

2006 = \$2,082,506  
2007 = \$2,574,714  
2008 = \$2,749,774  
2009 = \$2,928,339  
2010 = \$2,527,448

The funding increase from 2006 to 2007 was premised upon the Division hiring 2 staff members into the Compliance section to take staff in that section from 4 employees to 6 employees. The Compliance Division is still too severely understaffed to be effective.

The Iowa Division of Workers' Compensation is **funded at 25 percent of the national average**. Iowa already lags in terms of monitoring claim denials, timeliness of claim payments, and final claim payments. Injured workers' are made to wait for benefits and are left to chance with whether insurance carriers or their employers make accurate, timely, and fair benefit payments.

The Division has maintained 12 Deputy Workers' Compensation Commissioners since approximately 1996. We had one retirement in the past year and that position is not being filled until at least July 1, 2010. We currently have one other Deputy assigned to Unemployment Insurance Appeals (federally funded) with an expected return in April 2010. An additional Deputy may be assigned to UI Appeals in April 2010. Therefore we are functioning with only 10 Deputy Commissioners to hear the nearly 4,400 cases before the Division each year. We have also seen a big increase in Alt Care cases.

The Division is required to hear cases in each of the 8 Judicial Districts around the state. This travel is expensive, but required. It is too far for injured workers' to have to travel to Des Moines to have a case heard. The Division has proposed having 8 hearing venues, but change to make the hearing location as close as possible to Des Moines to reduce travel costs.

The Division has its budget near fully encumbered by salary expenses and travel costs. Further cuts will result in reduced staffing and thus increase the time from a petition until a final decision is issued by the Division. The reduction of Deputy Commissioners has already **resulted in delays** in hearing cases and issuing decisions as evidenced below:

### Average from Petition to Decision

FY08 = 475 days    FY09 = 437 days    FY10 = 465 days to date

### Average from Petition to Hearing

FY08 = 422 days    FY09 = 381 days    FY10 = 397 days to date

### Average from Hearing to Decision

FY08 = 53 days    FY09 = 56 days    FY10 = 68 days