

IOWA WORKFORCE DEVELOPMENT

Budget Presentation
February 9, 2022

Economic Development
Appropriations
Subcommittee

IowaWorkforceDevelopment.gov



WHAT WE DO

Our mission:

Serving Iowans.

- Connecting **job seekers** to **opportunities** and **employers** to **workforce solutions**.
- Diverse range of **demand-driven** products and services.



WHAT WE DO

Iowa Workforce Development

- Administration, leadership, unemployment services

IowaWORKS

- One-stop centers for reemployment services

Future Ready Iowa

- Governor Reynolds' initiative to develop a skilled and ready workforce
- Grants, scholarships, internship programs, child care funds

Home Base Iowa

- Helping make Iowa the top destination for Veterans entering civilian life

Earn and Learn

- Drives Iowa's leading Registered Apprenticeship Programs and work-based learning models

Division of Labor

Division of Workers' Compensation

Labor Market Information

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IowaWorkforceDevelopment.gov



Beth Townsend, Director

MEET OUR TEAM



Rod A. Roberts
Commissioner
Division of Labor



Joe Cortese II
Commissioner
Workers' Compensation

Serving Iowans.

MEET OUR TEAM



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MEET OUR TEAM



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Workforce Services



David Steen

General Counsel Supervisor
Legislative Liason

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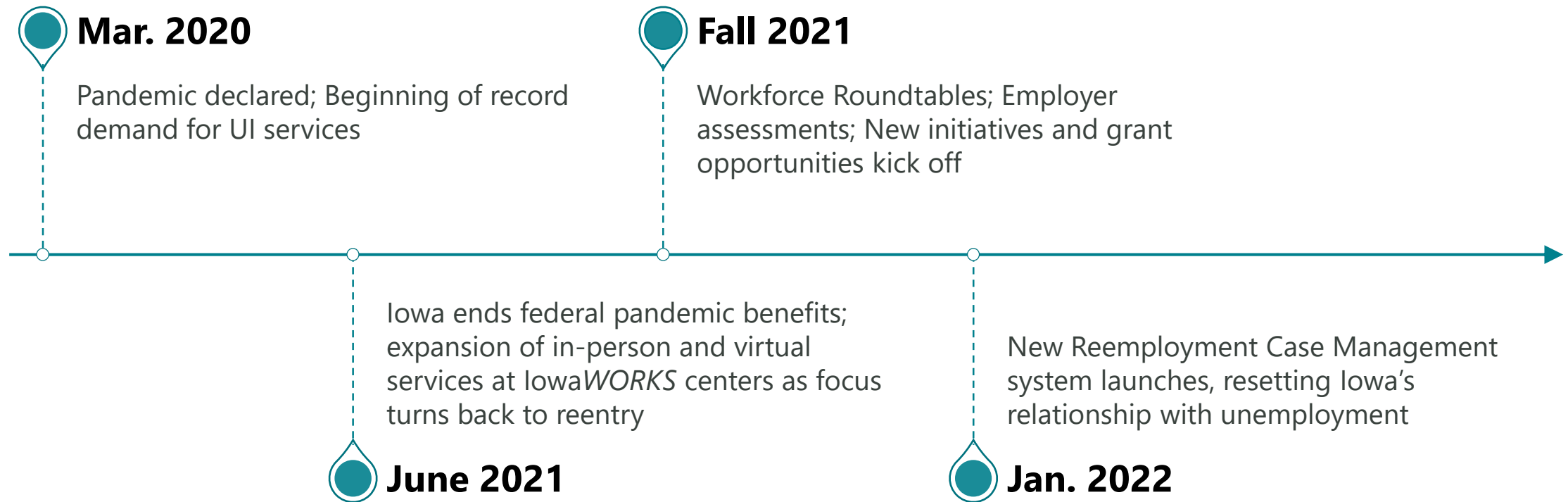
How We Got Here.....

“If you intend to go to work, there is no better place than right where you are; if you do not intend to go to work, you cannot get along anywhere.”

— Abraham Lincoln”

Pandemic Timeline

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RECAP: PANDEMIC RESPONSE

- **Unemployment Insurance (UI) Division** delivered timely support with a sustained high level of service to Iowans.
- Oversaw immediate **implementation and eventual drawdown of five additional** COVID-19 federal payment programs.
- **Record volume of benefits** paid out and customer service calls processed.

FY 20 and FY 21 Summary

775,835

- Initial Claims Filed

\$1.69 billion

- State UI Benefits Paid

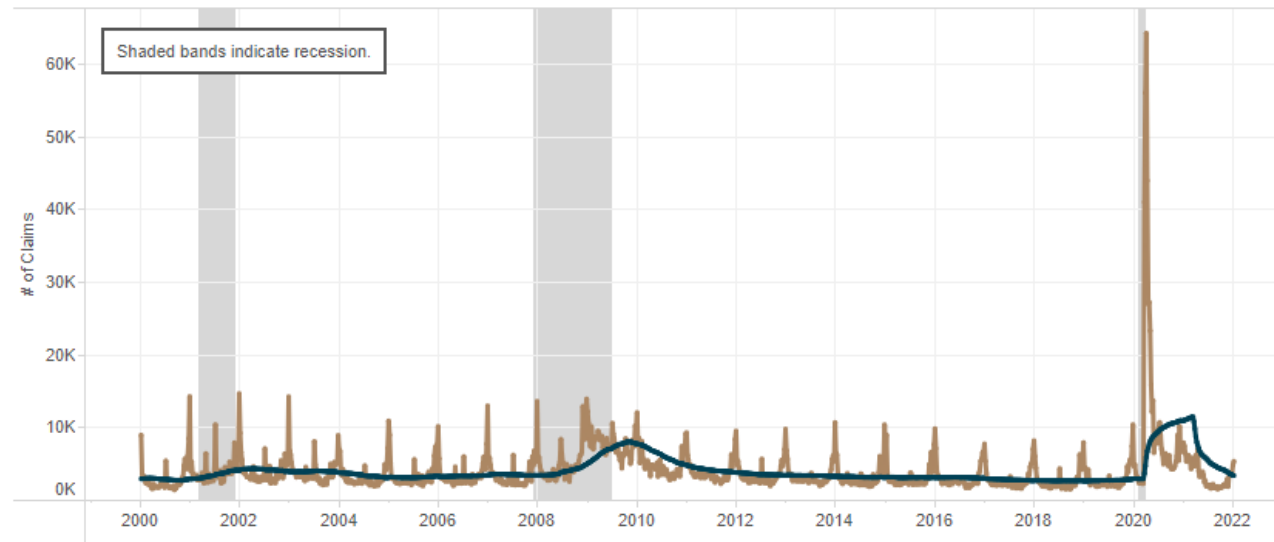
Total Benefits Paid
(including Federal and
Coronavirus-Related
Programs)

\$4.62 billion

UNEMPLOYMENT CLAIMS

Unemployment Insurance Initial Claims by Week

*Most current week's data is preliminary



Year-to-Year Comparison

Initial Claims:
**Down 54.4
percent**



Weeks Paid:
**Down 60.2
percent**



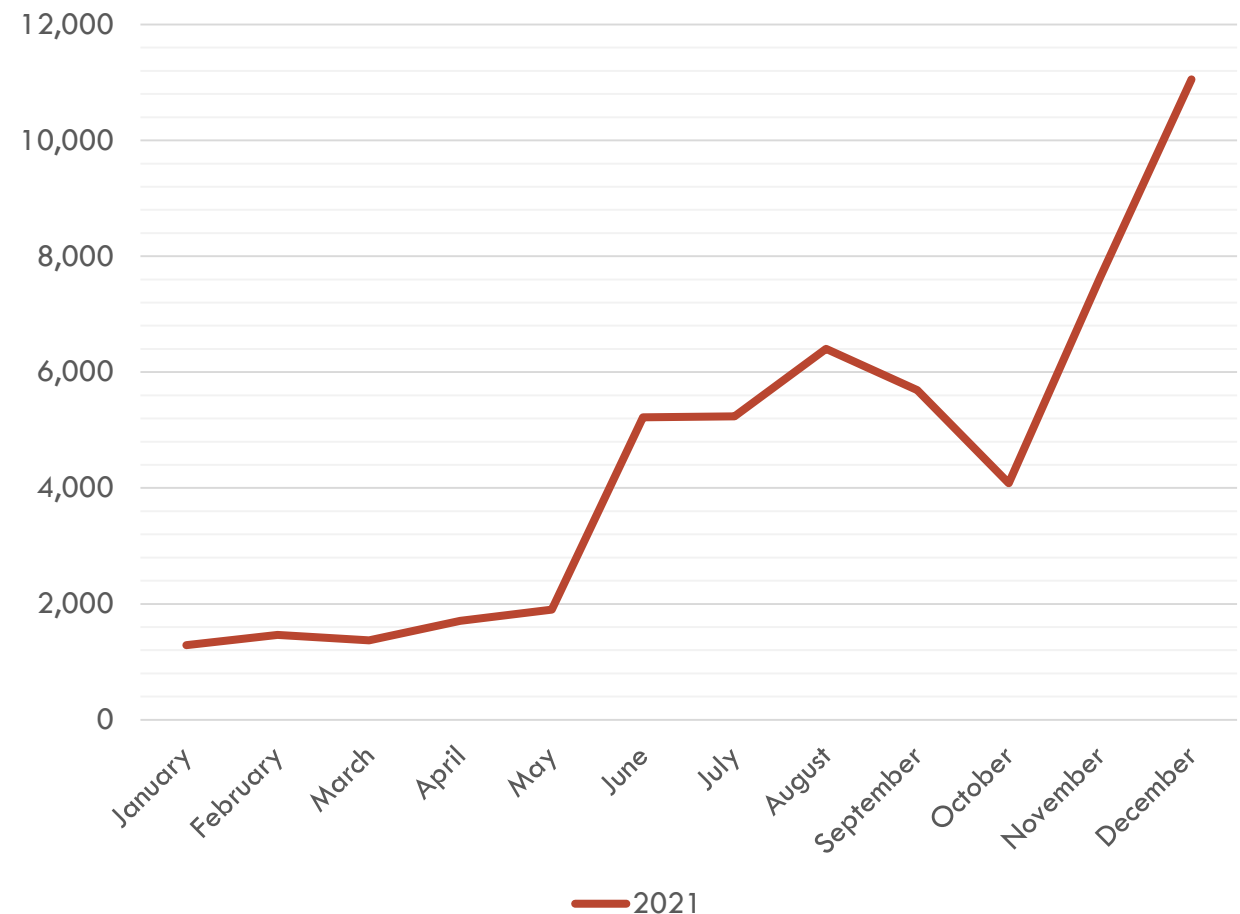
- **Initial UI Claims have dropped to pre-pandemic levels** and trends point downward.
- Total unemployment benefits paid in November 2021:
 - \$12.5 million (**lowest monthly payout in more than two decades**)
- **Iowans receiving unemployment:**
 - Peak: 204,175 (May 2020)
 - Current: 17,573 (December 2021)

2021 RESPONSE: COVID RECOVERY

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- Iowa ended federal pandemic benefits programs in June 2021 to **refocus on economic recovery and reemployment**.
- Volume of unemployment claims remains at a high level. But IWD staff has seen improvement as the economy has reopened.
- In-person visits to IowaWORKS centers up **nearly 672%** from Jan. 2021 to Jan. 2022.

IowaWORKS In-Person Traffic



Iowa's Economy Right Now

Unemployment Rate
3.5 percent (20th)



Labor Force Participation Rate
66.9 percent (8th)



Iowans Working Compared
to One Year Ago
+45,200



Unemployed Iowans
57,900



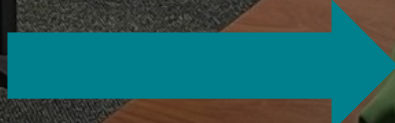
Job Openings in Iowa
85,943*



**IowaWORKS.gov (02/07/22)*



- WELCOME**
- Welcome
 - Quick Introductions
 - Addressing Child Care
 - Work-Based Learning
 - Field Office Resources
 - Resources for Building your Workforce
 - Dialogue and Discussion – current needs, gaps, and challenges

Unemployment  **Reemployment**

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2021-2022: Serving Iowans Better

- New Urgency to Efforts at Reemployment
- Improving Service to Businesses
- Removing Barriers to Work
- Rewarding Good Ideas through Grants
- Efficiency Through Realignment



REEMPLOYMENT CASE MANAGEMENT

- A recognition that Iowa's workforce shortage is an **urgent problem that requires more urgency from IWD.**
- New program provides enhanced assistance during Week 1 for unemployed Iowans in the hopes of **getting them back to work as quickly as possible.**

How it Works



18 new Career Planners **meeting one on one with unemployed.**



Review work search, **make direct connections** to any needed training.



New software matches worker skills with those in demand with employers.



Increased requirement for work search (from two to four).

REEMPLOYMENT CASE MANAGEMENT

- **Built on proven tools, resources, and assessments** that help return unemployment to its original mission.
- Not about eliminating benefits but **reducing the need for unemployment**.
- Because **Iowa needs every worker** to be active and in the economy.

RCM goes further than existing programs by meeting with more people and earlier in the process.

More one-on-one assistance ➡ **faster return to workforce.**

RCM Snapshot

First Three Weeks of Program



Total Appointments
1,254

Initial 906 Follow-up 348



Clients Who
Reported Employment
385

ONE-STOP SHOP FOR BUSINESSES

- **Frontline reemployment offices across the state** for all things reentry
- **Hiring events to link** employers with enthusiastic workers
- **New Business Services Division** to make IWD easier for companies to navigate

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REMOVING BARRIERS



February 9, 2022

- **Work-based Learning and Apprenticeships**
 - Models and programs that help accelerate training for high-demand positions
- **Home Base Iowa**
 - Connecting Iowa communities with highly skilled Veteran workforce
- **Grants**
 - Unique opportunities that reward innovative ideas and spur new projects to directly address barriers

REWARDING GOOD IDEAS

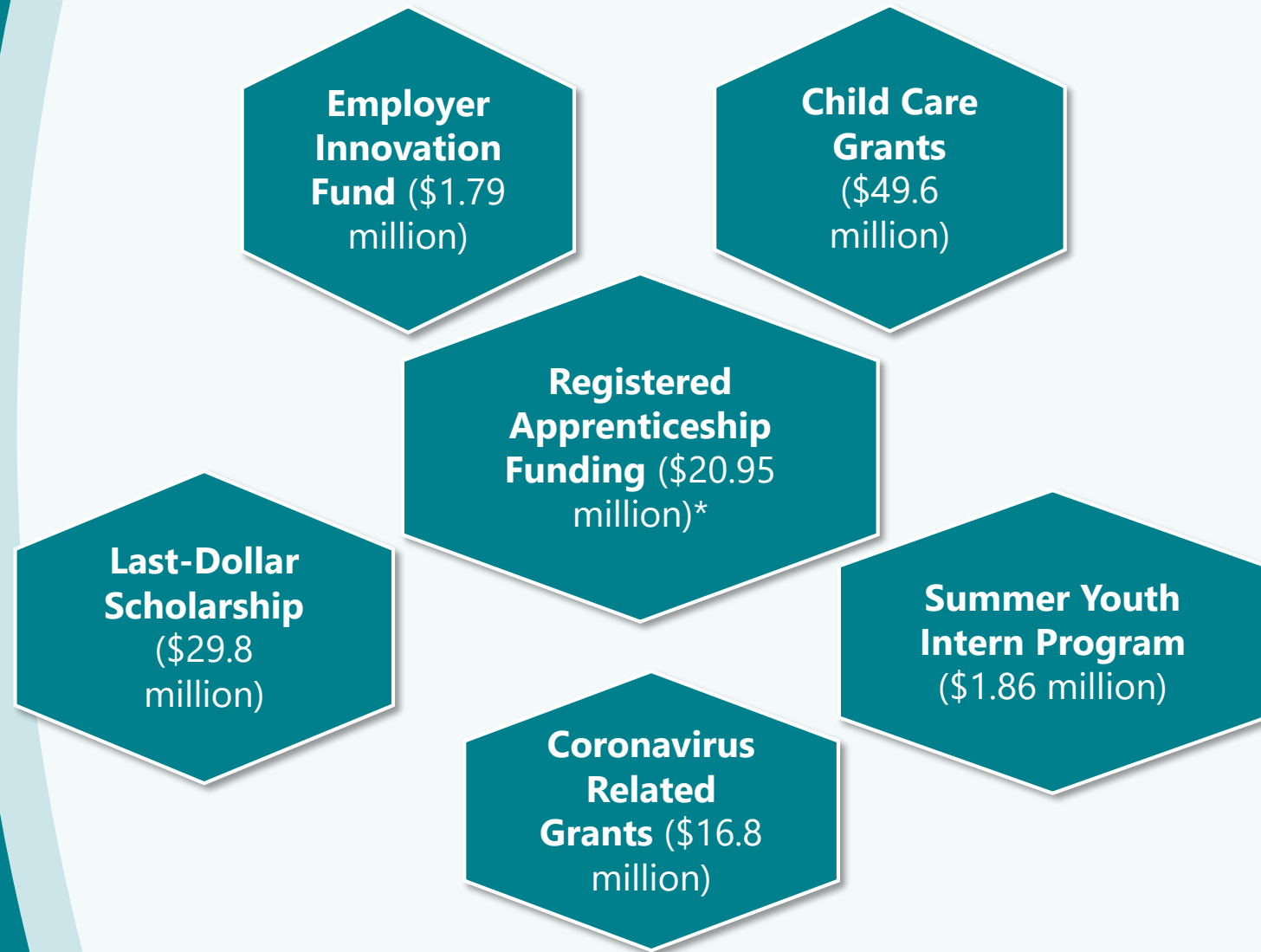


- IWD provides **multiple pathways** to **new workforce opportunities** through state funding targeted for local businesses, students, and job seekers.
- Grants have been successfully deployed to cover a wide range of issues that **ultimately address barriers** through support of worker training, child care, internships, innovative programs and more.

REWARDING GOOD IDEAS

Grants are administered through **Future Ready Iowa** and related initiatives.

The following numbers reflect grant funding allocated **since June 30, 2020**.



*Part of program funds previously distributed by IEDA

REALIGNMENT

- Launching a conversation about finding new efficiencies in Iowa's workforce programs
- Currently more than 100 workforce programs at 11 agencies
- Recognition that workforce demands are evolving, so government must evolve to serve Iowans best in the future





Initiatives and Programs

Iowa Workforce Development

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Registered Apprenticeship Programs



- Valuable programs that invest in people and **empower Iowa employers** to grow their own talent base.
- Creates rewarding career paths, beginning at the high school level with a proven ***earn while you learn*** model.
- Long-term solution now available in **nearly every sector**.

Iowa broke Registered Apprenticeship records in FY 2021 by adding 181 new programs, 51 new occupations, and 4,350 new apprentices.



By the Numbers (FY 21)



**1,846 Participating
Employers**



**8,584 Total
Apprentices**

Home Base Iowa



- Unique initiative helping make Iowa the **premiere destination for Veterans transitioning back to civilian life.**
- Public-private partnerships to **increase commitments to hire Veterans.**
- Strategies and incentives to help **local communities attract Veterans** (and their families) to the local workforce.

HBI focuses on **empowering communities** to be key centers of opportunity by partnering both with employers and local colleges/universities.



By the Numbers (Current)



**2,407 designated
HBI businesses**



**118 designated HBI
communities**



**5 HBI Career
Planners**

IowaWORKS



- One-stop centers across Iowa serving as a **central hub for reemployment services**, with nearly 20 offices around the state.
- **IowaWORKS Career Planners and staff assist individuals** in conjunction with partner agencies.
- Offices serve **as first stop for case management and new programs that reset Iowa's approach** to unemployment.

IowaWORKS is also a critical resource for the **number of current job openings in Iowa**, top available occupations, wages, and other labor market facts.



By the Numbers (FY 2021)



**13,820 total
individuals enrolled**



**71,748 total
services received**

GETTING THE MESSAGE OUT

IWD continues to **expand its platforms** to educate Iowans about workforce initiatives, opportunities, and success stories.



90+ Podcast Episodes



15,000+ Downloads

Communications channels now include:

- **News Releases and interviews**
- **"Mission: Employable" podcast**
- **Webinars**
- **Public awareness campaigns**
- **Social media platforms**
- **Newsletter**
- **Digital video**

IWD FISCAL SUMMARY

FY 21 Expense by Funding Source

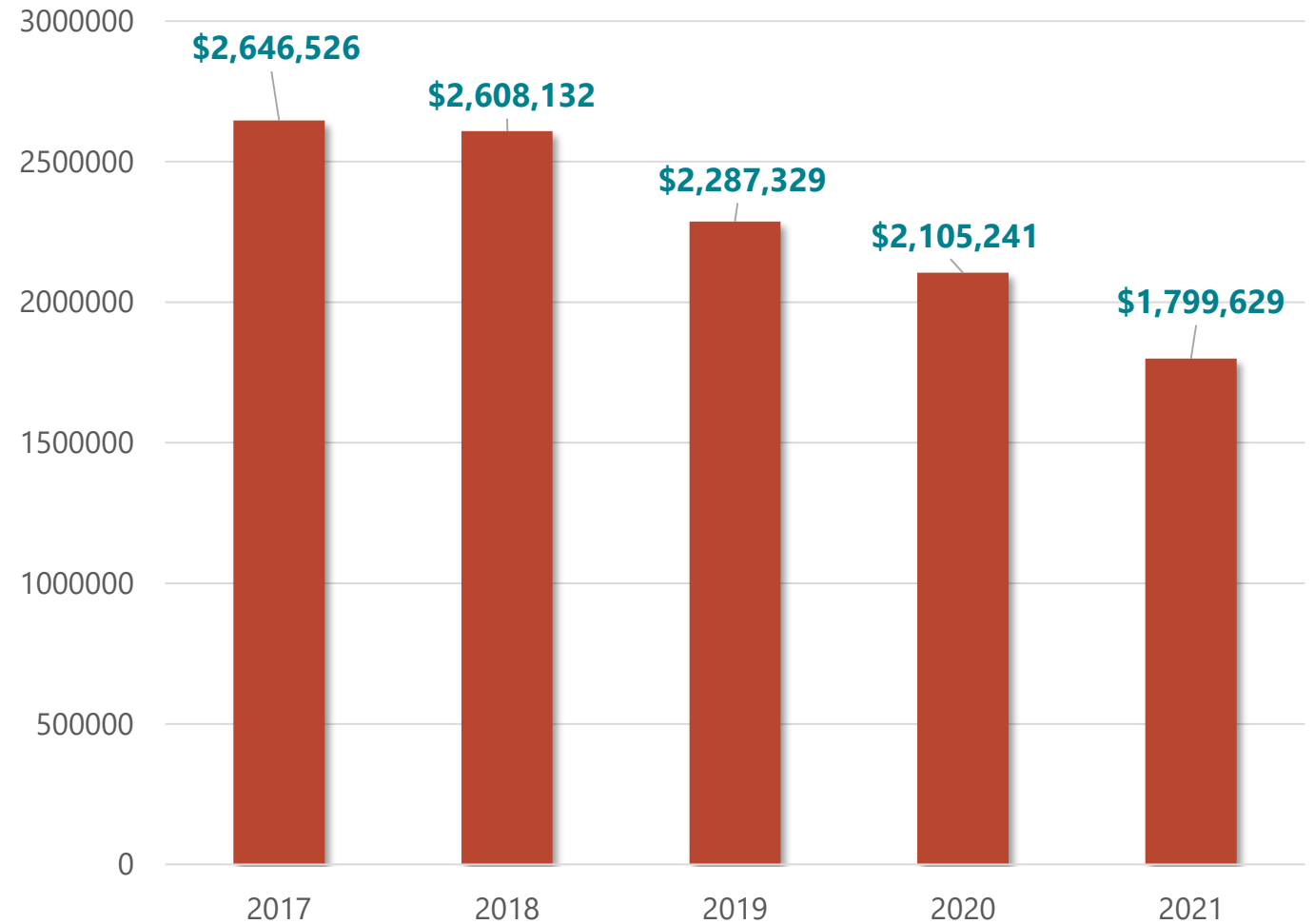
84.90% Federal

15.10% State

**Note – Federal funding does
not include Federal Pandemic
Assistance**

Special Contingency Fund

Penalty and Interest Revenues Collected by
Fiscal Year



Special Contingency Fund

Projected Expenditures FY 22

Appropriations

Field Office Operation: \$2,416,084

Expenditures

Unemployment: \$87,524

Workers' Compensation: \$140,400

IWD Administration: \$601,715

Labor Market Information: \$91,205

Infrastructure: \$178,067

Information Technology: \$114,767

Future Ready Iowa: \$152,925

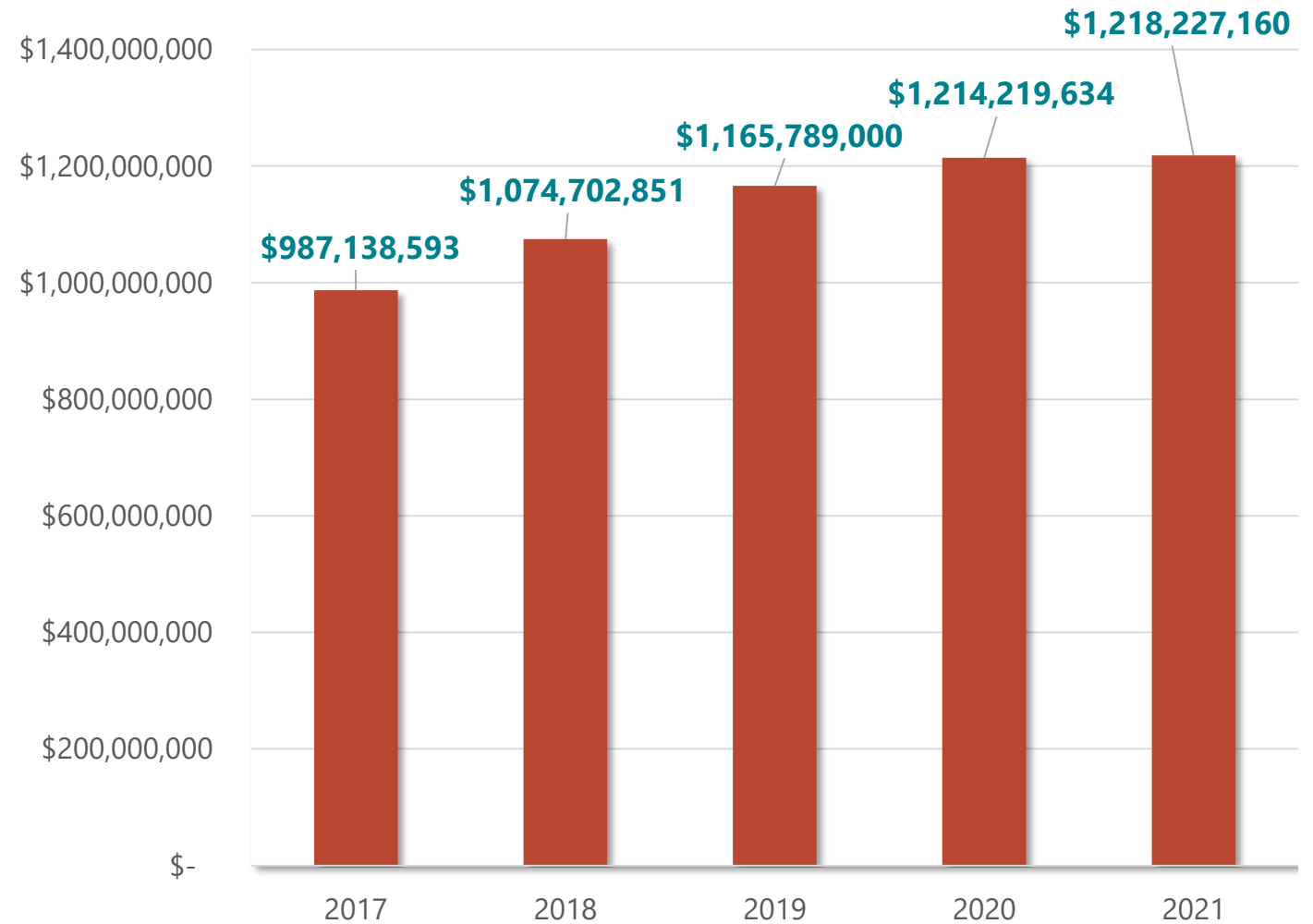
Home Base Iowa: \$323,972

Field Office Relocation: \$3,628

Summer Youth Program: \$567,616

Unemployment Trust Fund

Fund Levels by Fiscal Year



Unemployment Trust Fund (cont.)

For the fifth consecutive year, tax rates used to fund unemployment benefits remained in **Table 7**, the second lowest allowed by law.



Governor Reynolds' use of **\$728.5 million** in CARES Act and ARPA funding (and \$98 million from coronavirus-related programs) to support the trust fund helped **stabilize the impacts of the pandemic and keep Iowa competitive.**



Tax Table formula based on:

- Trust fund balance (the higher figure of balance on June 30 or August 15)
- Total UI contributory wages
- Trust fund target level as a percentage of UI contributory wages



Without the Governor's infusion of coronavirus relief funds and other federal programs, **IWD estimates that the tax tables would have moved to the higher rates on Table 6.**

Governor's FY 23 Recommendations

Workers' Compensation
\$3,321,044

Labor Services Division
\$3,491,252

Field Operation
\$6,675,650

Offender Reentry
\$387,158

Employee
Misclassification
\$379,631

Summer Youth
Internship Program
\$250,000

AMOS
\$100,000

I3 State Accounting
System
\$228,822

Future Ready Iowa
Coordinator
\$150,000

IWD Field Offices (P + I)
\$2,416,084

IWD Field Offices (UI
Reserve Interest)
\$2,200,000

Total appropriations: \$19,599,641

Governor Reynolds' Workforce Agenda for 2022:



- Reducing the **maximum length of unemployment benefits** in Iowa from 26 weeks to 16.
- **Lowering the threshold** at which an unemployment recipient is required to accept suitable work.
- Creating a **new reemployment division** within state government to focus on getting Iowans back to work.
- And more...

In Summary...

“Whatever you are, be a good one.”

— Abraham Lincoln

Thank you

