

IOWA WORKFORCE DEVELOPMENT

Budget Presentation

*Economic Development
Appropriations
Subcommittee*

March 6, 2023

Serving Iowans.

IowaWorkforceDevelopment.gov



WHO WE ARE

State agency mandated to lead employment services:

- Connecting **job seekers** to **opportunities** and **employers** to **workforce solutions**.
- Lead state agency driving **Iowa's reemployment strategy and programs**.



WHAT WE DO

Iowa Workforce Development

- Administration, leadership, unemployment services, business engagement

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

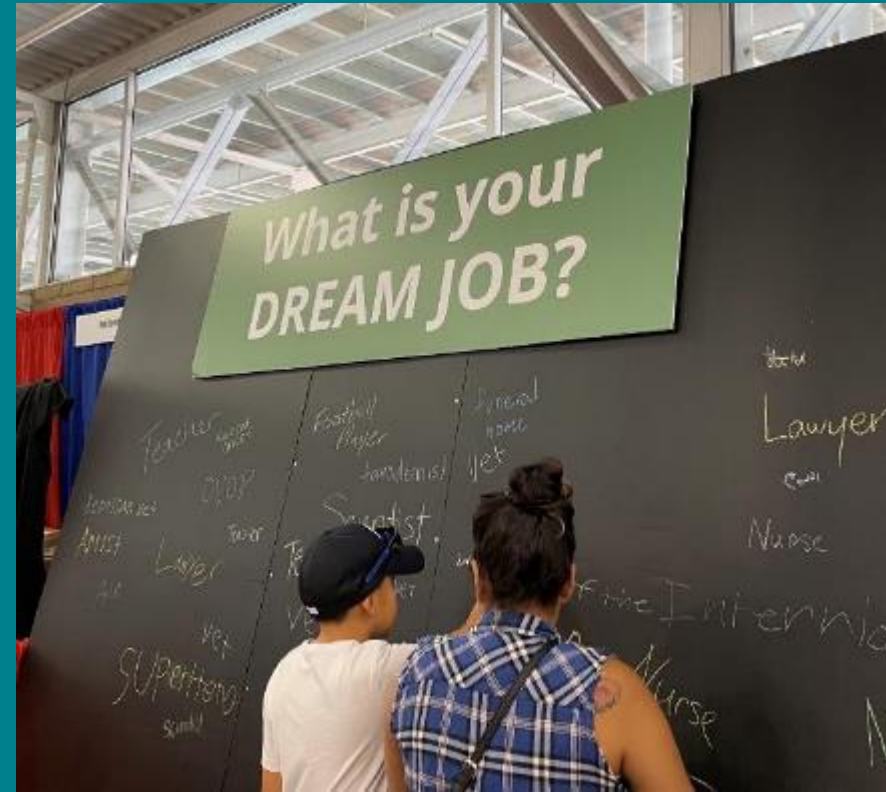
Earn and Learn

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

Labor Market Information

- Key resource for information on Iowa's labor force and employment situation

Additional departments: **Division of Labor and Division of Workers' Compensation**



MEET OUR TEAM



Ryan West
IWD Deputy Director



Jon Peppetti
IWD Chief of Staff



Linda Rouse
Division Administrator,
American Job Centers
(IowaWORKS)



Michelle McNertney
Division Administrator,
Workforce Services



Scott Perkins
Division Administrator,
Unemployment
Insurance

MEET OUR TEAM



Tim Goodwin

Division Administrator,
Business Engagement



Brenda Boten

Division Administrator,
Administrative Services



Victor Kennedy

Chief Financial Officer



Ryan Murphy

Director,
Labor Market Information



Neil Shah

Chief Information Officer
Division Administrator,
Information Technology

BUILDING A BETTER SYSTEM

January 2022

New Reemployment Case Management System provides earlier assistance for unemployment claimants while raising expectations about the aggressiveness of their search for new jobs.

September 2022

IWD launches new Business Engagement Division to contact employers and connect them directly with the workforce services they need.

Iowa Legislature reduces maximum unemployment benefits from 26 weeks to 16, creating additional incentives for Iowans to re-enter the workforce.

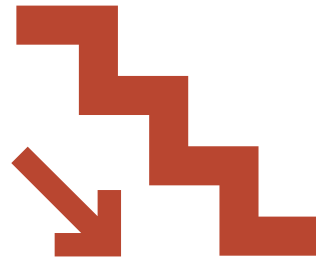
July 2022

Realignment will consolidate management of all workforce programs, creating an opportunity for more efficiency & increased access to the system that can help Iowans achieve rewarding careers.

July 2023

OUR PROGRESS SO FAR: UNEMPLOYMENT

- **Unemployment Claims have returned to pre-pandemic levels, and in some cases gone beyond, hitting historic lows.**
- Weekly unemployment claims compared to 2021: **Down 52.6%**
- **Total unemployment benefits paid in FY 2022: \$286 million**
 - 48 percent reduction from pre-pandemic levels
 - Lowest since 2000
- **Iowans receiving unemployment benefits:**
 - Peak: 204,175 (May 2020)
 - Current: 26,481 (January 2023)



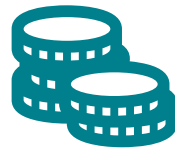
Initial Unemployment Claims in 2022 hit their lowest levels since 1973.



TABLE 8: EASING THE BURDEN FOR EMPLOYERS

Iowa's prior investments in the **Unemployment Insurance Trust Fund** now are providing stability for businesses.

Table 8 in 2023 = Lowest Unemployment Insurance rates allowable by law.



An Iowa business in the same tax rank as the year prior and paying the median tax rate will **pay \$72.20 less per employee in unemployment taxes in 2023 – an average 25 percent reduction in their unemployment taxes.**

Iowa's Economy Right Now

Unemployment Rate
3.1 percent (tied for 16th lowest)



Labor Force Participation Rate
67.6 percent (8th highest)



Iowans Working Compared
to One Year Ago
+45,600



Unemployed Iowans
53,200



Job Openings in Iowa
72,747*



**IowaWORKS.gov (03/02/23)*

Where We're Going in 2023: Serving Iowans Better

- Ongoing heightened focus on Reemployment.
- Business Engagement Division working closely with employers to provide individualized assistance.
- Expanding access to services by integrating WIOA Title 2 and Title 4 programs into IWD system.
- Continuing use of grants to encourage good ideas.



REEMPLOYMENT CASE MANAGEMENT

- Launched in January 2022, RCM provides enhanced assistance during Week 1 for unemployed lowans in the hopes of **getting them back to work as quickly as possible.**
- In its first year, the program helped **more than 5,000** lowans find a quick return to work.

How it Works



Career Planners held more than **24,000 individual meetings** with RCM clients.



Reviewed work search, **made direct connections** to workshops and training.



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



During first year, 5,048 clients reported leaving program with a job.

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 previously existing programs by meeting with more people and helping them earlier in the process. (Attendance at AJC workshops *nearly tripled* during the past year.)

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

Program completers have landed careers across economic spectrum, **from \$21.00 per hour to \$155,000 per year.**

“Everyone I have worked with has always had a positive attitude. I got something from each workshop and interaction I have had.”

BUSINESS ENGAGEMENT DIVISION

Iowa's one-stop shop for
employers to get assistance with
workforce concerns.

March 6, 2023

iowaWorkforceDevelopment.gov



BUSINESS ENGAGEMENT

New IWD Division formed at Governor's direction to make it easier for businesses to get help.

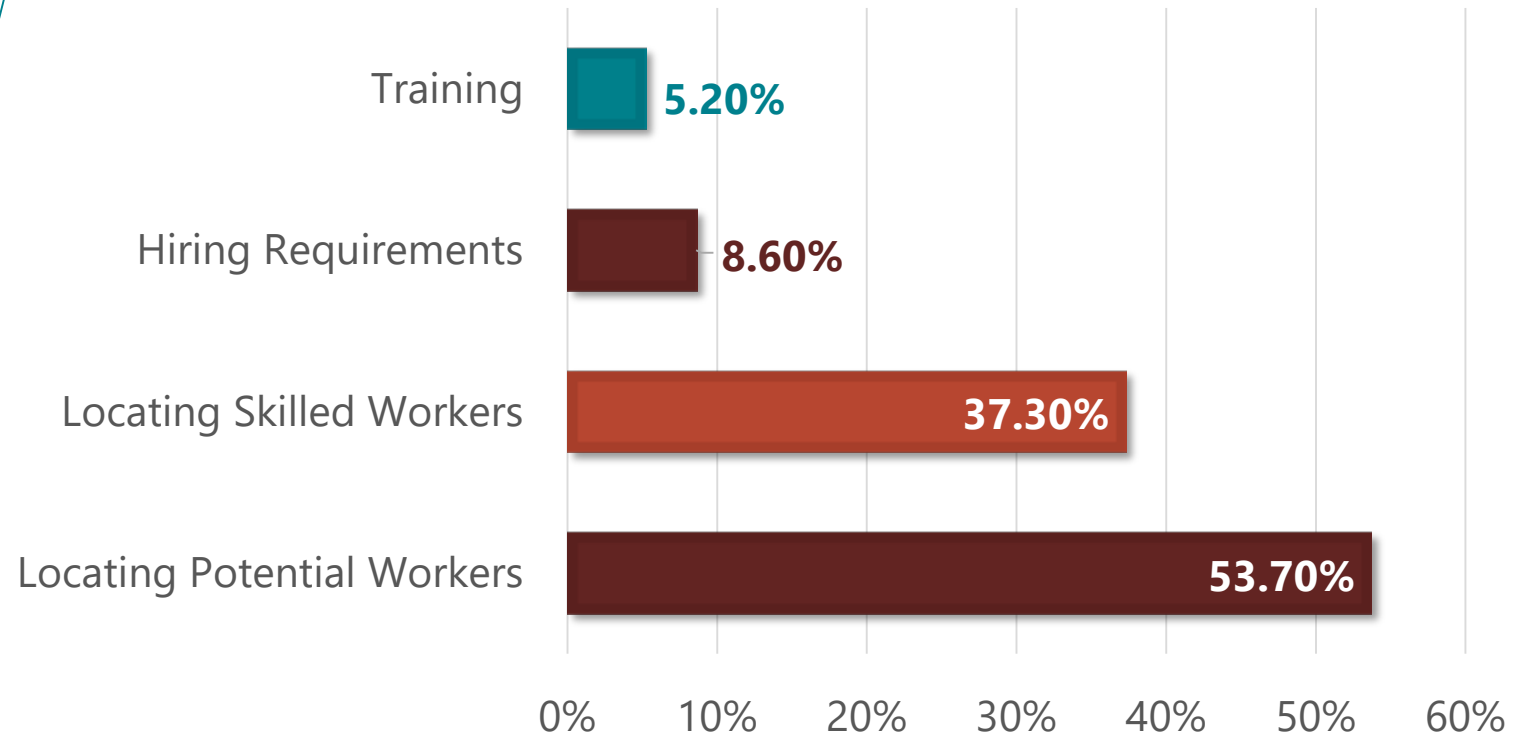
- One-on-one assistance.
- Long-term partnerships to solve problems.

Launched with 100-day outreach to employers.

- **Companies with at least 50 employees & little to no recent IWD engagement.**
- **2,697 total visits**

What We Learned:

MOST COMMON EMPLOYER CHALLENGES



BUSINESS ENGAGEMENT

What We've Learned:

Companies overwhelmingly are pleased to have someone actively participating alongside them to solve workforce challenges.

Evapco, Lake View

Company connected with more than 100 high school students after IWD invite to manufacturing event.

Bruin Manufacturing, Marshalltown

The company long had struggled to find job applicants. Then, during 100-day visits, IWD's Business Engagement Consultant showed Bruin leaders how to post jobs on IowaWORKS and market positions on Facebook.

Result: In three days, the company **received 50 applicants for a previously hard-to-fill position.**



Highlights of first 100 Days

A hand is shown reaching for a black binder with a white label that reads "Realignment" in red text. The binder is part of a row of similar binders on a shelf. The image is partially obscured by a white curved shape on the right side of the slide.

Realignment

BUILDING A BETTER SYSTEM

Realignment will consolidate workforce programs with IWD and offer the opportunity to expand use of services.



JOINING IWD UNDER REALIGNMENT PLAN



- Iowa Vocational Rehabilitation Services
- Adult Education and Literacy
- HiSet High School Equivalency Test

HiSET®

INCREASING ACCESS TO ALL PROGRAMS FOR CUSTOMERS

- The Workforce Innovation and Opportunity Act (WIOA) created four groups of workforce programs.
- Realignment for the first time will bring all four together under IowaWORKS.
- Creates opportunity to increase efficiency and coordinate delivery of service to Iowans.



REMOVING BARRIERS



- **Work-based Learning and Apprenticeships**
 - Models and programs that help accelerate training for high-demand positions
- **Support of Veterans and Families**
 - Connecting Iowa communities with highly skilled Veteran workforce
 - **Coming in Spring 2023:**
 - **Launch of New Veterans Portal to IowaWORKS.gov**
 - **New Office of Veteran Workforce Services being created to house all Veteran-related workforce services under one area**
- **Grants**
 - Unique opportunities that reward innovative ideas and spur new projects to directly address barriers

RAPID GROWTH IN REGISTERED APPRENTICESHIP

Iowa surpassed a **record 10,000 active apprentices in Nov. 2022.**

- 5,402 new apprentices last fiscal year.
- 163 new programs – **highest number of new programs in the country.**
- 890 different programs now available across the state.
- Still Growing.



INNOVATIVE ADDITIONS

Teacher / Paraeducator Registered Apprenticeship program

- Total of 134 school districts participating.
- On track to add 1,000 teachers and paraeducators by end of this year.

Health Careers Registered Apprenticeships

- Virtual reality training supporting real world experience at nursing facilities and hospitals.
- Working with 22 school districts to create an estimated 450 apprentices.



[New Registered Apprenticeship Program Trains Future Teachers In Iowa - YouTube](#)

INNOVATIVE ADDITIONS (IN PROGRESS)

Entry-Level Driving Training Program

- Support for employers, nonprofits or related organizations seeking to prepare drivers for CDL tests.

Language Learners Job Training Program

- Supporting English or other programs to improve work-based communication

Health Care Careers – Part II

- Expanding to support RA programs for EMTs, Direct Support Professionals, Behavior & Substance Abuse Specialist, and others.



[Applying for the Iowa Entry-Level Driving Training Program – YouTube](#)

PROPOSED: STATE APPRENTICESHIP AGENCY (SAA)

State Apprenticeship Agency (SAA)

- Greater flexibility to set direction for state's leading Registered Apprenticeship (RA) Programs
- Greater access to apprentice and labor force data, allowing Iowa to be more responsive to employer needs
- Streamlines processes and creates more opportunities for innovation
- The Iowa Office of Apprenticeship would be established within IWD, leveraging existing staff to oversee program development, compliance, business engagement, and grant management.
- SAA would also establish a state-level advisory board with members from multiple industry sectors.



REWARDING GOOD IDEAS

IWD provides **multiple pathways to workforce opportunities through state funding targeted** for local businesses, students, and job seekers.

- Combined, a total of \$115 million in grants was awarded in 2022.
- [Does not include nearly \$21.5 million awarded in FY22 through the Last Dollar Scholarship.]

The numbers at right reflect grant funding **awarded or committed in 2022.**

Awarded

Child Care Grants (\$62.4 million)

Registered Apprenticeship Grants (\$50 million)

Summer Youth Internship Grants (\$2.2 million)

Announced/Committed

Entry-Level Driver Training Program (\$6 million)

Health Careers Expanded Apprenticeship (\$15 million)

Iowa Language Learners Training Program (\$5 million)



Initiatives and Programs

Iowa Workforce Development

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.
- **New web portal** (Spring 2023) will help Veterans access specialized IowaWORKS services more easily.



By the Numbers (Current)



**More than 2,000 designated
HBI businesses**



**124 designated HBI
communities**



**297 Veterans and Spouses
Assisted with Employment in 2022**

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 2022)



**35,688 total
individuals enrolled**



**116,684 total
services received**

GETTING THE MESSAGE OUT

Agency Communications channels include:

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

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



150+ episodes
Over 30,000 downloads

Ep. 153
NEW YEAR, NEW BUSINESS SOLUTIONS!

Video Podcast

LIKE AND SUBSCRIBE

MISSION: EMPLOYABLE

Spotlight:
Mission: Employable Podcast



IWD FISCAL SUMMARY

FY 2022 – **Expense by Funding Source**

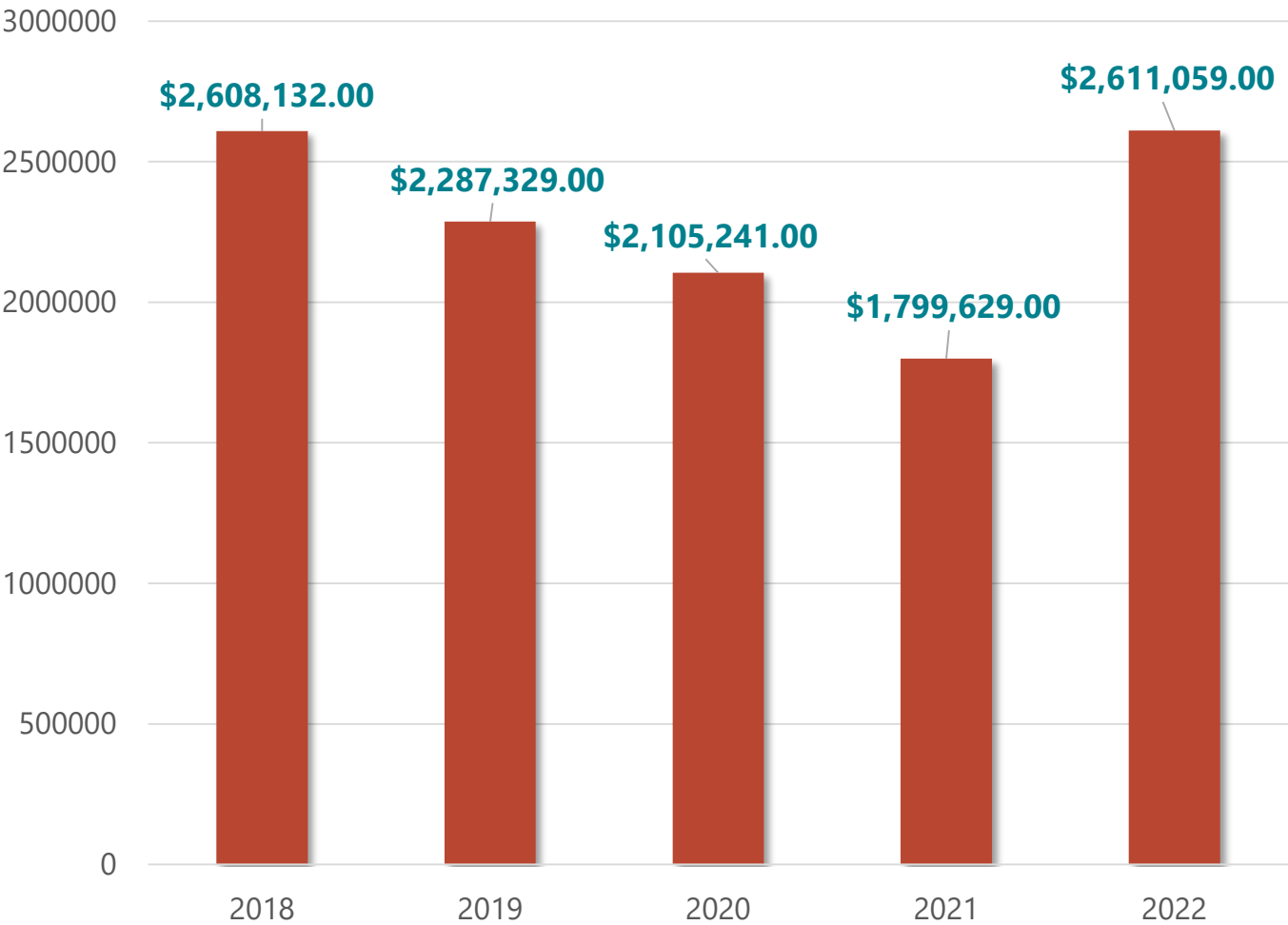
94.92% Federal

5.08% State



Special Contingency Fund

Penalty and Interest Revenues Collected by
Fiscal Year



Special Contingency Fund

Projected Expenditures FY 23

Appropriations

Field Office Operation: \$2,416,084

Expenditures

IWD Administration: \$1,149,611

Infrastructure: \$33,430

Field Office Relocation: \$39,842

Labor Market Information: \$53,625

Information Technology: \$107,588

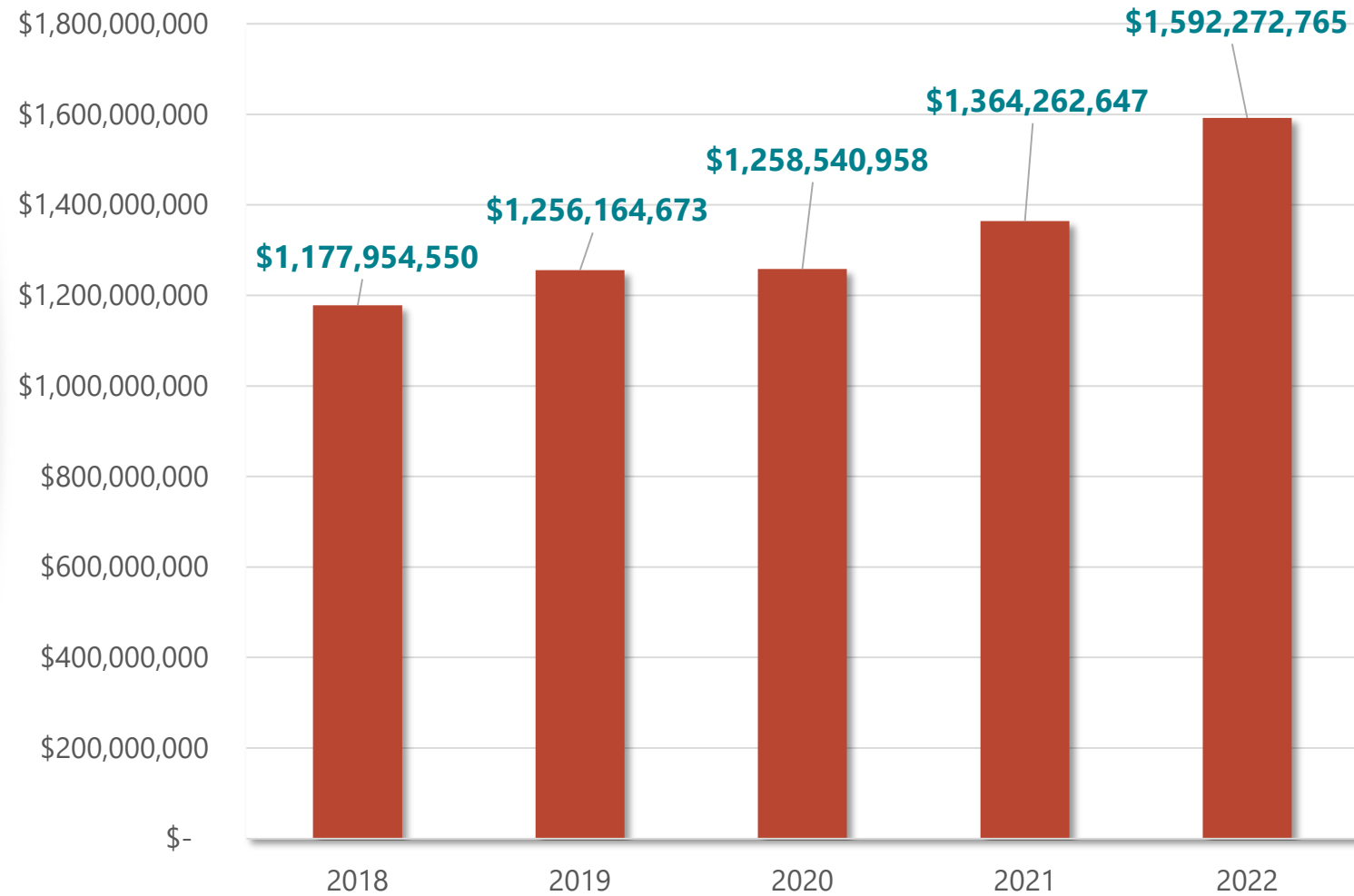
Future Ready Iowa: \$184,745

Home Base Iowa: \$205,060

Unemployment: \$72,145

Unemployment Trust Fund

Fund Levels by Fiscal Year



Unemployment Trust Fund (cont.)



In 2023, for the first time in two decades, the tax rates used to fund unemployment benefits are in **Table 8**, the lowest rates allowed by law.



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



Estimated Impact: An Iowa business in the same tax rank as the year prior and paying the median tax rate will **pay \$72.20 less per employee in unemployment taxes in 2023.**

Governor's FY 24 Recommendations

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 Fund) \$2,200,000

Governor's FY 24 Recommendations (Realignment)

Voc Ed Salaries &
Support
\$598,197

Career & Technical Ed
Secondary Schools
\$2,952,459

Adult Education and
Literacy Programs
\$500,000

Work-based Learning
Intermediary Network
\$1,500,000

Entrepreneus
w/Disabilities
\$138,506

Independent Living
Center Grant
\$86,457

Vocational
Rehabilitation
\$6,106,732

PACE and Regional
Sectors
\$200,000

Independent Living
\$84,804

STEM Scholarships
\$633,325

Adult Literacy for the
Workforce
\$5,500,000

- Total **General Fund**: \$18,388,416
- Total **Skilled Worker and Job Creation Fund**: \$8,083,325
- **UI Reserve Fund**: \$2,200,000

Thank you

