

Iowa Workforce Development

Budget Presentation

*Economic Development
Appropriations Subcommittee*

January 22, 2024

Beth Townsend
Executive Director



**Iowa Workforce
Development**

Who we are

Lead state agency driving **Iowa's reemployment strategy and workforce programs, serving both job seekers and employers.**

- State government alignment has further streamlined IWD to act as the **one-stop agency** for all workforce-related needs in the state.



Website

workforce.iowa.gov

Address

*1000 East Grand Avenue
Des Moines, IA 50319*

Mission

Serving Iowans

Who we are

Senior Leadership



Beth Townsend
Executive Director



Ryan West
Deputy Director
(Unemployment
Insurance &
Infrastructure)



Jon Peppetti
Deputy Director
(Employment & Training)

What We Do *(including, but not limited to)*

Overall

Administration and leadership, grants, unemployment trust fund, Labor Market Information



Employers

Business engagement support, worker training programs, UI tax, apprenticeships, rapid response



Unemployed/Job Seekers

UI claims, IowaWORKS system, Vocational Rehabilitation, Reemployment Case Management, Veteran and worker programs (WIOA)



New Faces / Roles



Kathy Anderson

Division Administrator,
Business Engagement



James Williams Jr.

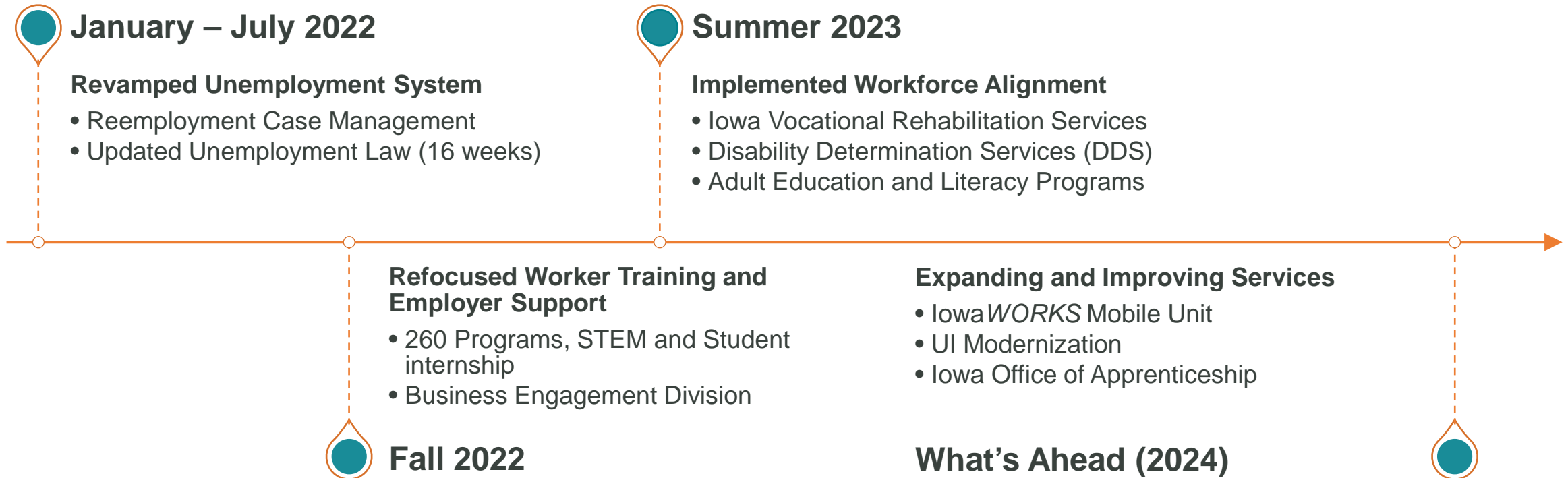
Division Administrator,
Vocational Rehabilitation
Services



Liz McLaren

Division Administrator,
Disability Determination
Services

Recent IWD History



What's New

- **Related workforce programs now aligned under IWD.**
 - *Integration process ongoing as we continue building a better system.*
- **Expanded efforts to find jobs for veterans**
 - [New Veterans Portal](#), Office of Veteran Workforce Services, and partnership with SkillBridge.
- **Our revamped unemployment system** continues to improve lives.
 - *Iowans now getting off unemployment more quickly than at any point in the last 56 years.*



The Plan: Continue to build a more responsive system to **meet employer needs** and **create workforce pipelines now.**

What's New: Aligning Workforce Programs

IWD assumed responsibility of the following programs under last year's legislation and additional alignment efforts.

- Iowa Vocational Rehabilitation Services
- Disability Determination Services
- Adult Education and Literacy Programs
- HiSet High School Equivalency Test
- 260 Training Programs
- Workforce Internship Programs
- Senior Community Service Employment Program (SCSEP)
- SNAP Employment and Training (E&T)



Alignment Benefits (So Far)

- Making government more efficient and effective:
 - **Personnel Savings:** 66 total positions (*62 funded; 4 cost avoidance*)
 - **Building Savings:** Moved VR staff out of Jessie Parker and into IWD building in Des Moines.
 - (*Previously, VR was paying approx. \$31,000 per month in rent*)
 - **Consolidation & Technology:** Savings from combining Human Resources and program administration; digitization of records (*all in progress*)
 - **Upcoming:** Piloting a process to increase connections between existing IWD divisions and Vocational Rehabilitation to help VR customers move more quickly from work-ready to employed.



Now: IWD's Division of Vocational Rehabilitation Services

Iowa Vocational Rehabilitation

**Helping Iowans with
Disabilities Get, Keep, and
Advance in Employment.**

- Program Areas at alignment included:
 - Educational Services
 - Independent Living
 - Self Employment
 - Business Services
 - Disability Determination Services*
- VR working more closely with all workforce-related services under IWD (VR Services = Title IV)
- Most VR offices already are or are moving to become co-located with IowaWORKS offices.



*Now its own IWD Division



By The Numbers: VR Services



Iowa Workforce
Development

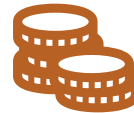
Vocational Rehabilitation Services



21,859: Job candidates served.



\$49 million: Estimated wages earned by lowans with disabilities who found employment in 2022.



\$15.83: Average hourly wage of job candidates.



97.1%: Percentage of job candidates placed across the state who remained working in their careers.

Program Year 2023



Iowa Workforce
Development

Now: IWD's Division of Disability Determination Services

Iowa Disability Determination Services (DDS)

**\$33.6 Million FY 2024 Budget
(100% Federally Funded)**

- Charged with making disability determinations for the Iowans who apply for and receive Social Security Administration (SSA) disability benefits.
- Iowa DDS is one of the most accomplished and recognized state units in the country.
 - 4th fastest processing time in the nation.
 - 1st in quality, with 98% accuracy rate.
 - Routinely assists other states with caseload and/or decisions.
 - Lowest employee attrition rate.
- National average to process initial disability claim is 167 days. Iowa = 95.
- **Nationwide backlog of 1.1 million new cases; Iowa has no backlog.**



*Led by Liz McLaren, DDS
Division Administrator*

What's New: Proactively Helping Employers Through Workforce Challenges

A fully developed Business Engagement Division, improved UI systems, and greater connections to Iowa's training programs now make **IWD** a **one-stop shop** for employer needs.



What's New: Added Focus on Veterans

IWD expanded Veterans services by launching new partnerships, a jobs portal, and a unified area focused on Veterans and outgoing military members.

- New Veterans Portal to Online Services
 - www.iowaWorksForVeterans.gov
- Launched a new Office of Veteran Workforce Services
 - Jamie Norton, Director
- New Partnership with SkillBridge
 - Bringing military members to Iowa as they prepare to leave service.
- Expanded Home Base Iowa
 - Now endorsed by 132 communities in 78 counties.
 - Helped 154 Veterans, service members, and their spouses find employment in 2023 through dedicated one-on-one employment services.



Harrison Swift
HBI Program Manager





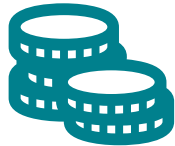
Business Engagement Division

- Completed **5,877 individual visits to Iowa employers** in 2023.
 - Approx. 2,500 had not previously engaged with IWD.
 - **21,527 overall services provided.**
- Valuable connection point to IWD programs for worker training, grants, apprenticeships, and more.
- Business Engagement Consultants (BECs) located at all IowaWORKS offices across the state.

Easing The Burden For Employers

Unemployment Insurance

Iowa's decisions kept the **Unemployment Insurance Trust Fund** in a strong position which provides stability for businesses.



In 2024, unemployment insurance rates for Iowa employers will once again remain at the **lowest-possible level allowed by current law (Table 8)**.

- The switch to Table 8 in 2023 gave Iowa businesses a **25 percent reduction in their UI taxes on average** (\$72.20 less per employee in 2023).

From Unemployment to Reemployment



Focus on finding Iowans jobs as quickly as possible has made Iowa a national model for putting people back to work.

Two Years In: Reemployment Case Management Keeps Improving Outcomes

Reemployment Case Management Program (RCM)

- Launched in January 2022
- Career Advisors begin working with job seekers from the first week of an unemployment claim.

National “Full Employment Award”

- IWD received award in 2023 for having the **second lowest percentage in the U.S. of claimants** who exhausted their UI benefits (13.7% in 2022).
 - “It’s encouraging to see leading states like Iowa optimize their policies and processes and implement effective approaches to reemploy UI claimants and stabilize the economy.” – *American Institute for Full Employment*

9.7 Weeks

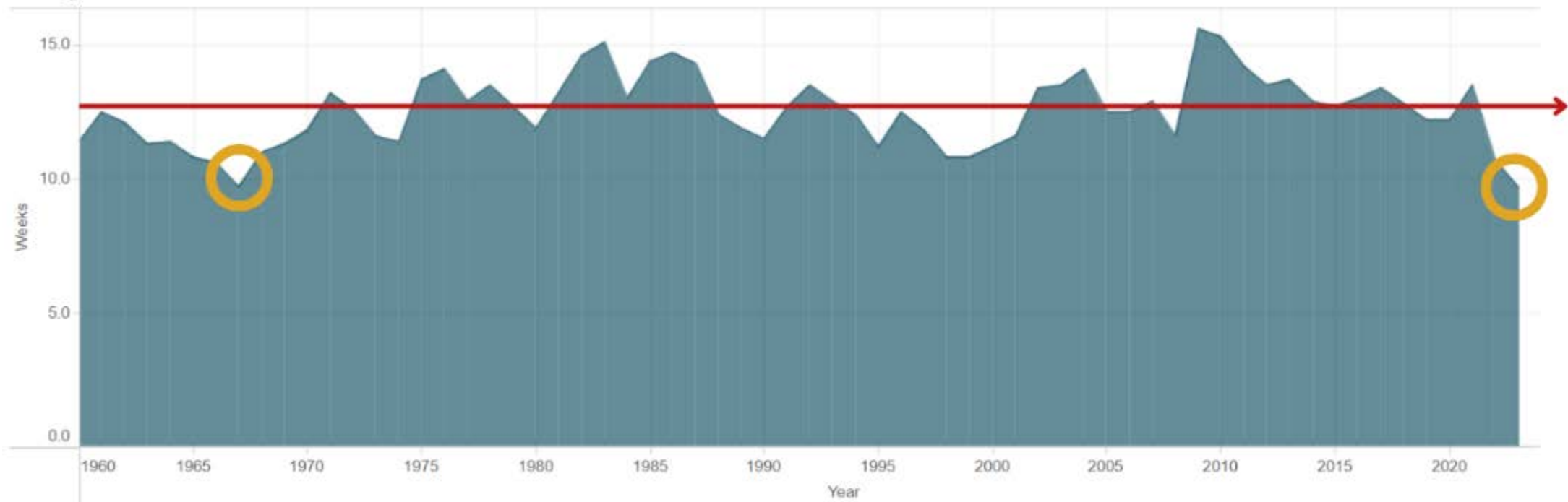
- Average Duration of an Unemployment Claim in 2023
- **Tied for lowest average on record since UI Duration was first documented (1960)**

16,210

- Total RCM Appointments (FY 2023)

Average Duration of Benefits: Historic Lows

Average Annual UI Duration

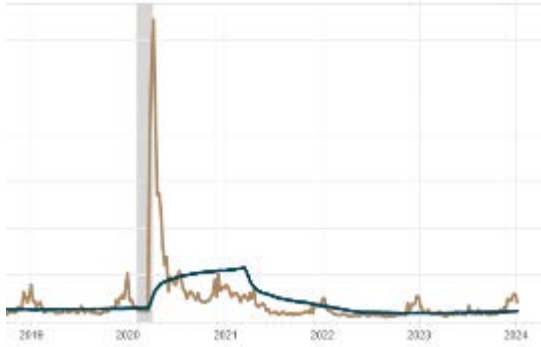


- Lowest Average Duration (9.7 weeks)
- Average Duration Across All Years (12.6 weeks)

Shorter Claim Duration = Savings

Unemployment Claims

Remain at historically low levels



Benefits Paid At Lowest Levels in Two Decades

- 2022 and 2023's totals (\$253 million and \$260 million) are the lowest since 2000
- Total benefits paid in 2019: \$381 million

Unemployment Benefits Numbers

Calendar Year 2023

115,270

- Total Initial Claims

585,340

- Total Weekly Claims

\$260,476,759

- Total Benefits Paid



Notable Initiatives and Programs

State of the Workforce

December 2023

Unemployment Rate
3.2 percent



Labor Force Participation
67.7 percent



Total Employed Iowans
1,665,000



Median Household Income
12.8% (three-year growth rate)



Wage Growth
+9.4% (Average Annual Wage)



Building a Better Workforce System:

- Becoming More Responsive to Employers.
- Building New Pipelines of Workers.
- Growing Skills and Opportunities.
- Making it Easier for Iowans to Access What They Need.
- Expanding Innovation.
- Telling More Stories Of Success.



Building New Pipelines of Workers

Through high-demand apprenticeships, worker training programs, and work-based learning opportunities, IWD provides multiple routes to critical on-the-job experience.

Registered Apprenticeship Programs

- Employers develop future talent, and workers earn while they learn, including in high-demand occupations:
 - **Teacher / Paraeducator RA:** First-of-its-kind RA program in education
 - **Health Careers RA:** VR training support combined with real world experience at nursing facilities and hospitals
- Over **950 active programs supporting 9,900+ apprentices** in advanced manufacturing, energy, health care, hospitality, construction, transportation, information technology and other fields.

Work-Based Learning

- Using new strategies to expand work-based learning via successful models (including Registered Apprenticeship, Quality Pre-Apprenticeship, Internships, and Work Experiences)



Iowa Office of Apprenticeship (IOA)

- When implemented, will oversee the creation of Registered Apprenticeships in Iowa (joining 25+ other states).
- As a State Apprenticeship Agency (SAA), IOA will encourage greater innovation and increase responsiveness while establishing state-directed standards compliant with the U.S. Department of Labor (DOL).
- Currently under review by DOL
 - Application Submitted for SAA Approval on 09/28/23.



Improving Skills and Opportunities

Using proven programs along with new grants to focus in on improving education and training in high-demand jobs.

Last Dollar Scholarship

- Targets **high school graduates** and **adults** to help obtain postsecondary credentials/upskill employees.
- Focused on high-demand occupations and pays the cost of tuition up to an associate's degree for training at any community college.

FY2023:

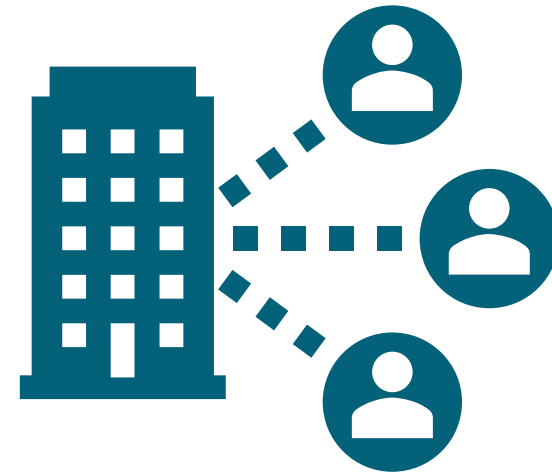
- 9,895 participants awarded more than \$29 million in community college scholarships (27 percent increase in participants)
- Fed students into high-demand occupations such as nursing, computer programming, medical assistant.



Grants That Create Opportunity in the Workforce

Established Grants Bureau to facilitate and oversee grant funds at the agency, including (2022-2023):

- 15C and 15B Registered Apprenticeship (for new and existing programs): **\$3.7 million**
- RA Health Careers 1.0 and 2.0: **\$17.2 million**
- RA Teacher/Paraeducator: **\$46.5 million**
- Entry Level Driver Training (ELDT) and CDL Infrastructure: **\$2.94 million** and **\$4.8 million**
- Summer Youth Program: **\$379,000**
- English Language Learners: **\$364,000**
- State Intermediary Network: **\$1.5 million**
- Child Care Business Incentive: **\$27 million**



Making it Easier for Iowans to Access What They Need

IowaWORKS:

- **Central hub for job seekers services with 18 offices** around the state.
- **Career Planners and staff assist individuals** with expanded workshop and reemployment options.
- Offices often serve **as first stop for case management and entry into new programs.**

Iowa Plains:

- New workforce area **encompassing a 42-county region in Western Iowa.**
- IWD became responsible for providing workforce services on July 1, 2023, and **continues to find efficiencies.**



By the Numbers (FY 2023)



178,710
Total Services
Received



48,990
Workshop
Services Received

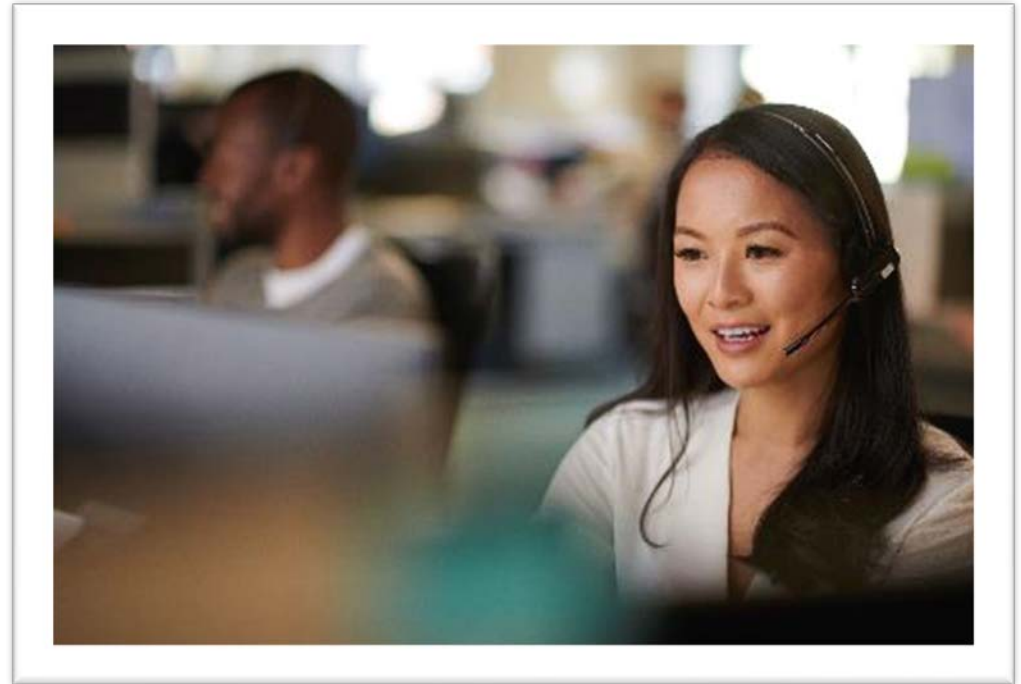


43,400
New Registrations in IowaWORKS

Expanding Innovation

IWD is modernizing its systems to create a better experience for job seekers and employers alike.

- **New website to improve user experience**
 - *Aligning with state's digital transformation initiative*
- **New partnership to improve identity verification for unemployment claimants (ID.me)**
 - *Improving experience for claimants while reducing fraud attempts*
- **Launching UI Modernization this summer**
 - *Will unify and improve UI services, reduce manual processes, and upgrade technologies across the board*



Telling More Stories Of Success

IWD has expanded its capability to tell success stories and profiles across multiple channels – adding a human element to state government work.

- Mission: Employable Podcast
- Workforce Wire Newsletter
- Video Feature Stories



Agency Fiscal Summary

Expense by Funding Source - FY 2023

95.14% - Federal (\$384,028,527)

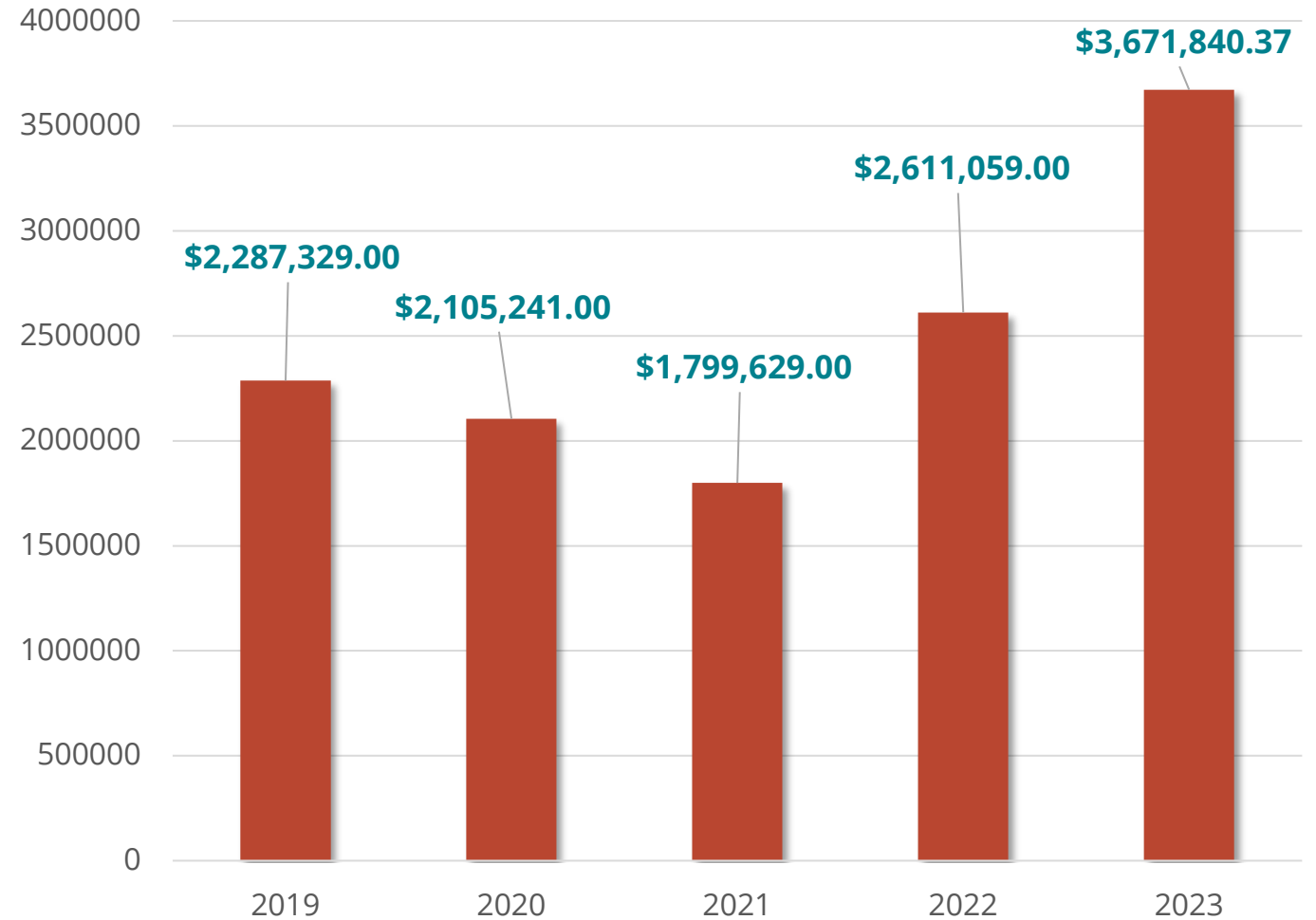
4.86% - State (\$19,599,641)



Special Contingency Fund

FY 2023

Penalty and Interest Revenues Collected
by Fiscal Year



Special Contingency Fund

Projected
Expenditures
FY 2024

Appropriations

P&I Field Office Operation: \$2,416,084

Expenditures

IWD Administration: \$1,195,595

Infrastructure: \$34,767

Field Office Relocation: \$41,435

Labor Market Information: \$94,853

Information Technology: \$111,891

Future Ready Iowa: \$192,134

Home Base Iowa: \$213,262

Unemployment: \$75,030

Unemployment Trust Fund

Trust fund balance taken each year to determine the tax tables used by employers to pay UI tax rates.

- *Annual figures based on trust fund balance on either June 30 or August 15 (whichever is highest).*

Annual Levels Used For Tax Rate Table Calculation



Governor's FY 2025 Recommendations

Field Offices
\$6,902,636

Offender Reentry
\$387,158

Employee Misclassification
\$379,631

Summer Youth Work Pilot
\$250,000

AMOS
\$100,000

I3 State Accounting
System
\$228,822

Registered Apprenticeship
– 15C (New RA Programs)
\$760,000

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

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

Governor's FY 25 Recommendations (Cont.)

Job Training
\$4,750,000

Adult Education and
Literacy Programs
\$500,000

Apprenticeship Training
Program – 15B
(Existing RA Programs)
\$3,000,000

Independent Living
\$84,804

Entrepreneurs
w/Disabilities
\$138,506

Vocational
Rehabilitation
\$6,226,739

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

STEM Internships
\$633,325

Independent Living
Center Grant
\$86,547

- Total **General Fund**: \$9,533,802 (IWD) and \$6,536,596 (VR) = \$16,070,398
- Total **Skilled Worker and Job Creation Fund**: \$13,983,325
- **UI Reserve Fund**: \$2,200,000

Thank you



**Iowa Workforce
Development**

1000 E Grand Avenue • Des Moines, IA 50319 • workforce.iowa.gov