

Iowa Workforce Development

Budget Presentation

*Economic Development
Appropriations Subcommittee*

January 22, 2024

Beth Townsend
Executive Director



Iowa Workforce
Development

Who we are

Senior Leadership



Beth Townsend
Executive Director



Ryan West
Deputy Director
(Unemployment
Insurance &
Infrastructure)



Jon Peppetti
Deputy Director
(Employment & Training)

New Faces / Roles



Kathy Anderson

Division Administrator,
Business Engagement



James Williams Jr.

Division Administrator,
Vocational Rehabilitation
Services



Liz McLaren

Division Administrator,
Disability Determination
Services

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)**



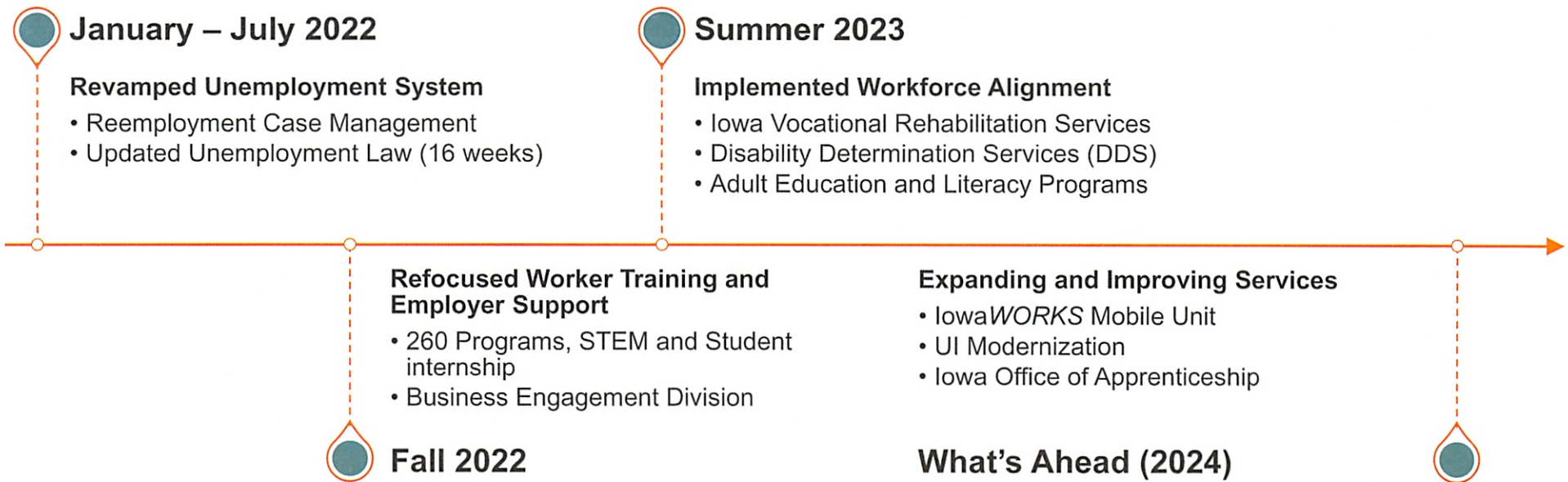
Wage Growth

**+9.4% (Average
Annual Wage)**



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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.



Iowa Vocational Rehabilitation

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

Now: IWD's Division of Vocational Rehabilitation Services

- 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



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Vocational Rehabilitation Services



21,859: Job candidates served.



\$49 million: Estimated wages earned by Iowans 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



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Iowa Disability Determination Services (DDS)

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

Now: IWD's Division of Disability Determination Services

- 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*



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.

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

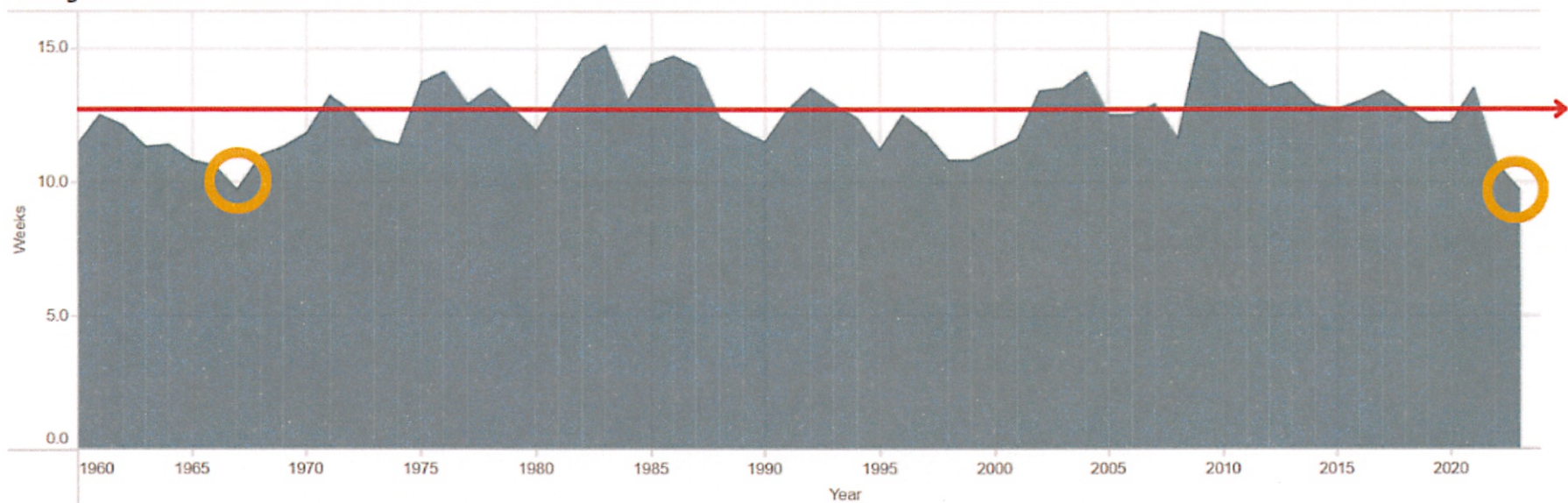
- Average Duration of an Unemployment Claim in 2023
- Tied for lowest average on record since UI Duration was first documented (1960)

16,210

- Total RCM Appointments (FY 2023)

Average Duration of Benefits: Historic Lows

Average Annual UI Duration

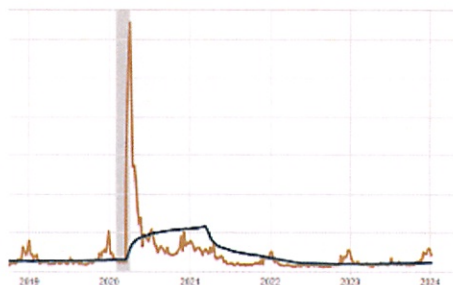


- Lowest Average Duration (9.7 weeks)
- Average Duration Across All Years (12.6 weeks)

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

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)

- 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).
- Final implementation will require additional legislative assistance.
 - Application Submitted for SAA Approval on 09/28/23.
 - Rejected by DOL on 1/23/24.
 - USDOL pushing for more federal control of RA



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.



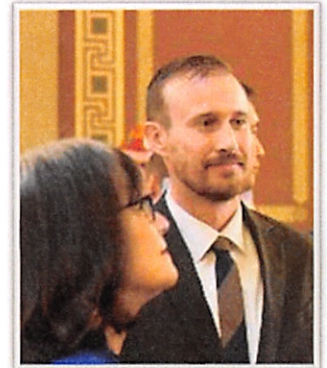
What's New: Added Focus on Veterans

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



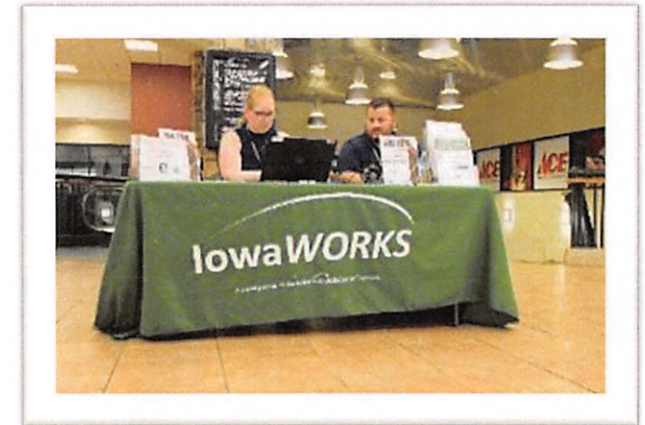
Making it Easier for Iowans to Access What They Need

IowaWORKS:

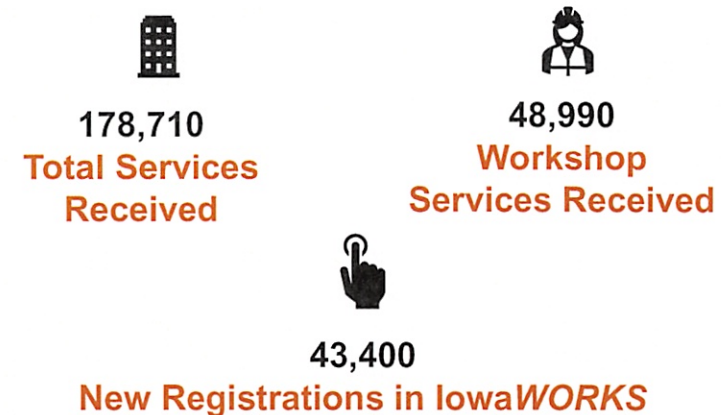
- **Central hub for job seekers services with 18 offices** around the state.
- **Career Planners and staff assist individuals** with expanded workshop and reemployment options.
- Offices often serve as **first stop for case management and entry into new programs.**

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)



Agency Fiscal Summary

Expense by Funding Source - FY 2023

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

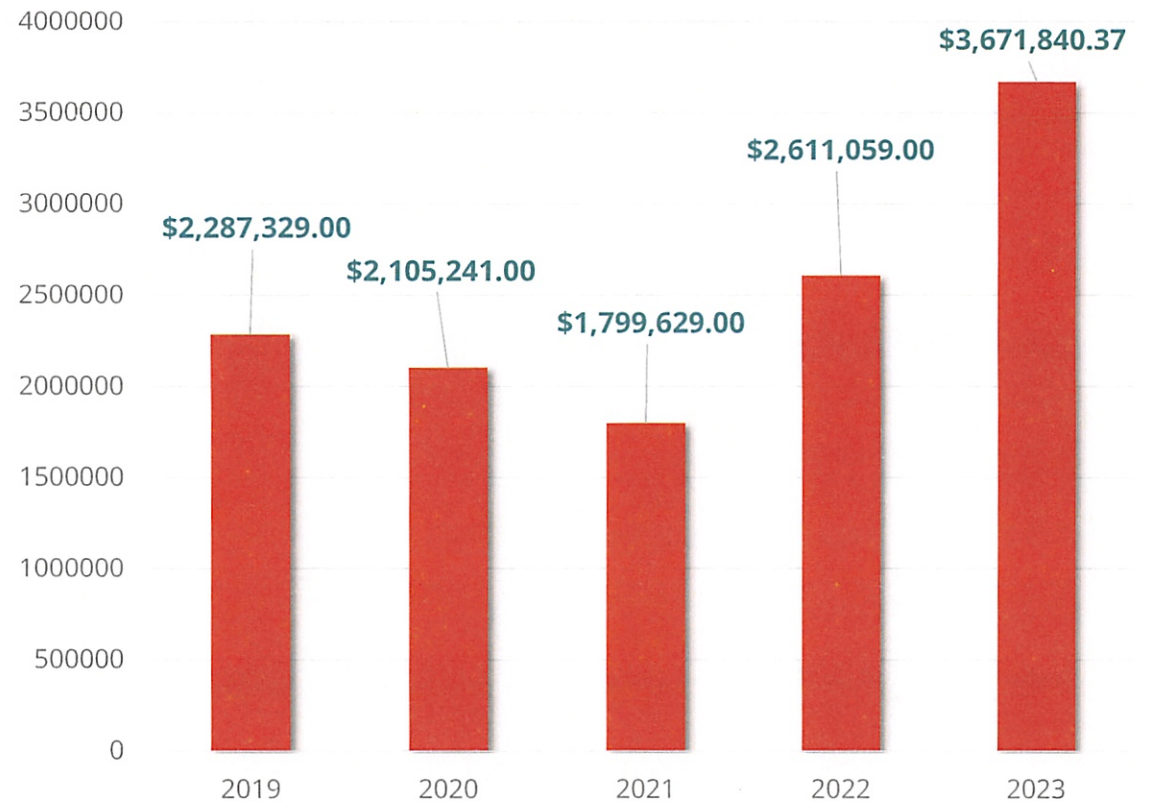
4.86% - State (\$19,599,641)



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

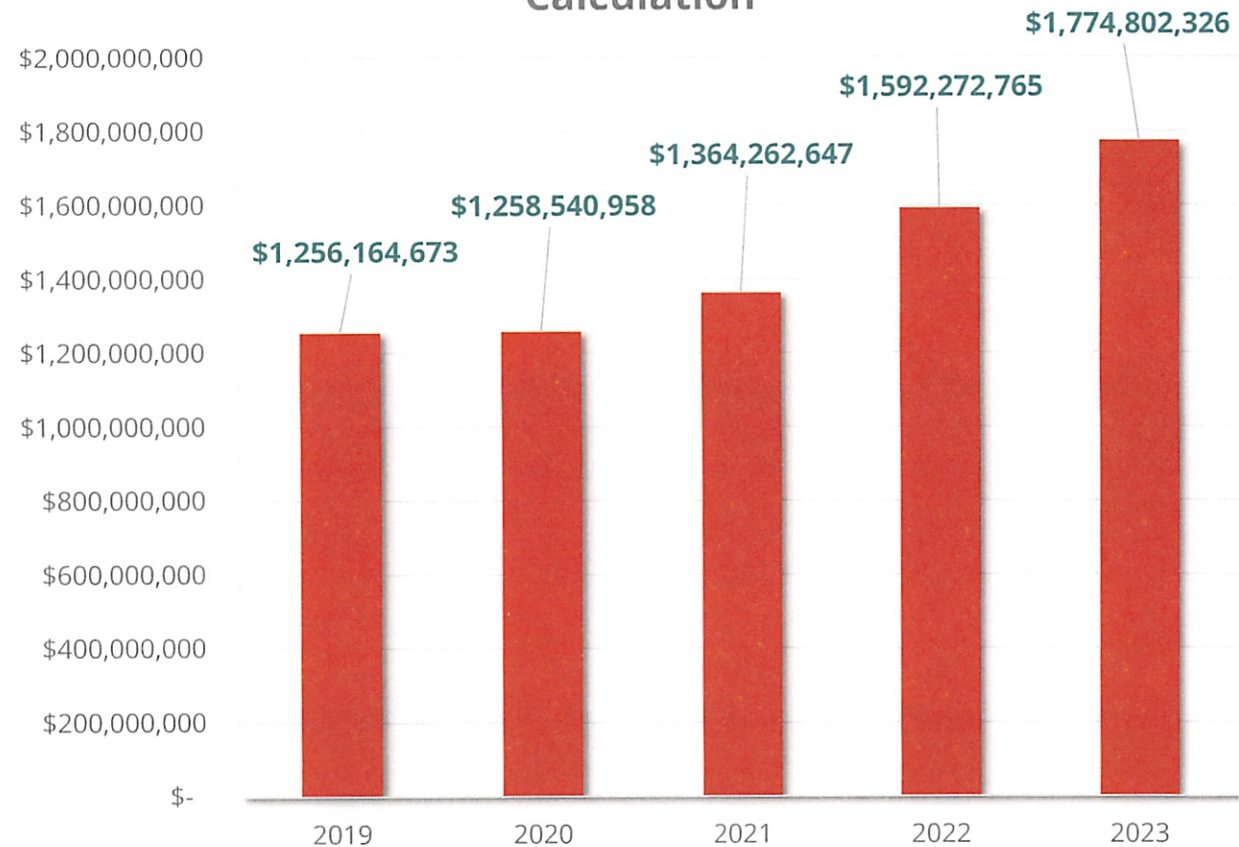
Unemployment: \$75,030

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



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