



Iowa Workforce
Development

Budget Presentation

Economic Development Appropriations Subcommittee
February 17, 2025

Beth Townsend
Executive Director

Who We Are

Lead state agency that drives **Iowa's reemployment strategy, manages its workforce programs, and delivers the services** that make the difference for both job seekers and employers.

Recently became aligned with most workforce-related programs in the state. **Provides unemployment benefits, but treats reemployment as the main goal.**



Some (But Not All) Of What We Do



Administrative

- Oversee State's Workforce Programs and Initiatives
- Workforce Grants
- Unemployment Trust Fund
- Labor Market Information



Employers

- Business Engagement Support
- Worker Training Programs
- UI Tax
- Apprenticeships
- Rapid Response



Unemployed/Job Seekers

- UI Claims
- Iowa *WORKS* System
- Vocational Rehabilitation
- Reemployment Case Management
- Veteran and Worker Programs (WIOA)

IWD Senior Leadership



Beth Townsend
Executive Director



Georgia Van Gundy
Deputy Director

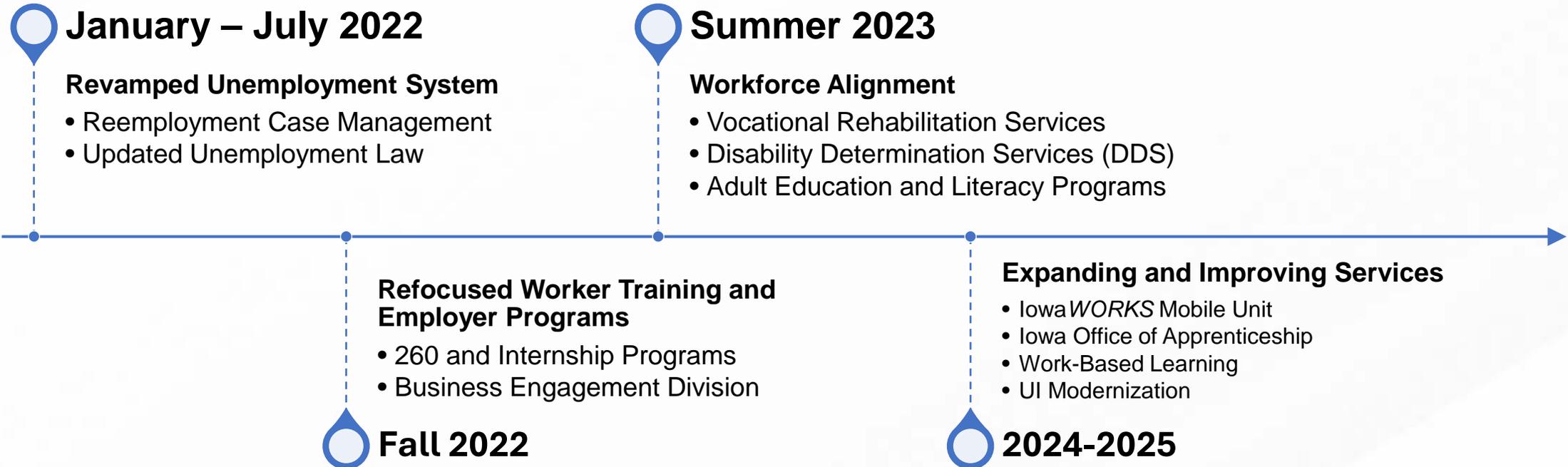


Jon Peppetti
Chief Operating Officer



Tim Goodwin
Chief Strategy Officer

Recent IWD History



State of the Workforce - *December 2024*



Unemployment Rate
3.2 percent



Labor Force Participation
66.4 percent



Total Employed Iowans
1,635,500



Average Annual Wage
\$59,366
(+13.5% since 2020)



Household Income
\$71,433
(+8.9% over two years)



Job Openings Per
Unemployed Persons
1.2

What's New Improving Response to Workforce Challenges

- **Launched a New Mobile Workforce Center** to greatly improve the state's ability to respond and geographically meet workforce needs.
- **Reached new milestones and nationally recognized** for approach to reemployment (RCM).
- Result = **Faster connection points** between unemployed Iowans and the businesses who need workers.





Mobile Workforce Center: By the Numbers

- **Appeared at nearly 60 events in the first nine months.**
 - *Was often the first to arrive at Rapid Response (layoffs) situations across the state and disaster recovery events in NW and SW Iowa.*
- **Served hundreds of job seekers and impacted workers.**
 - *Access to Iowa's largest jobs bank, resume building, connections to other employment pathways.*

Responding to Layoffs Quickly

IWD was often at the frontline of the response to layoffs across Iowa in 2024.



126: Number of WARN Notices received, which in turn activated Rapid Response services.



5,523: Total workers served by Rapid Response during on-site visits to layoff sites.



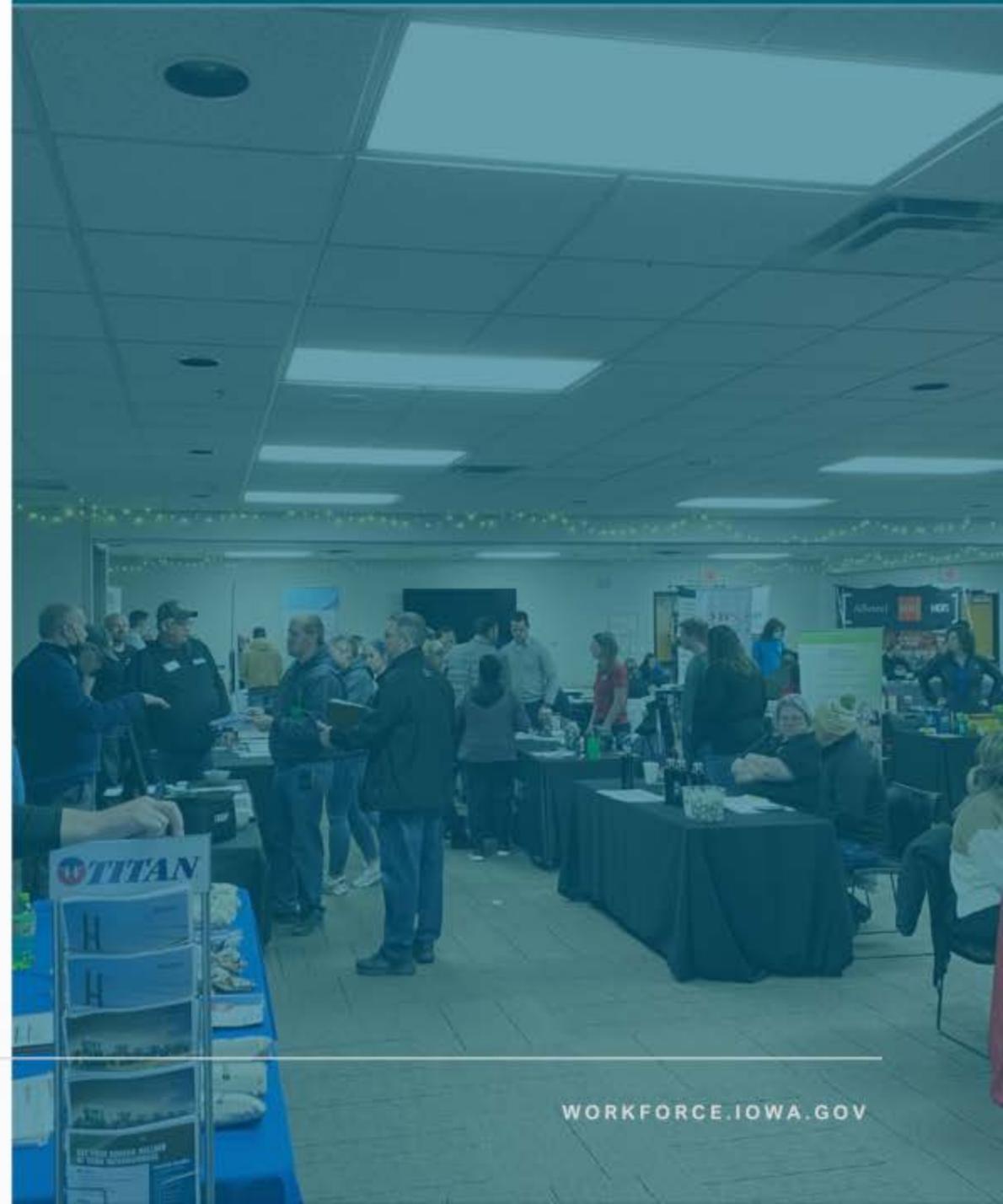
Support **included job fairs, resume & skills building, language classes, and other tools** to support the transition.



Helping Iowans Reenter the Workforce More Quickly

Reemployment Case Management (RCM) program was launched in 2022 to inject urgency and focused, early assistance into the unemployment process.

- Three years later, it has become a **national model** for getting unemployed individuals back into the workforce.
- Creates a much **shorter timeframe** between job loss and reemployment.
- Results in **substantial savings** for the Iowa UI Trust Fund.



RCM Results

Greater One-on-One Assistance

- More than 58,000 one-on-one meetings since 2022 to help Iowans return to work.

Record Low Average UI Claim Duration

- From 13 weeks in January 2022 → 9 weeks by December 2024.

National Recognition

- Recognized by Congress for innovative approach to solving reemployment challenges.





What's New Aligned System to Better Serve Iowans

- **IWD built on the progress made with state government alignment to further refine the coordination, efficiency, and service delivery to create a better functioning workforce system.**

Progress Under Alignment (So Far)

1

Eliminating Wait Lists and Accelerating Job Placement

2

Combining American Job Centers with Vocational Rehabilitation

3

Reimagining Programs and Piloting New Solutions

Reaching Milestones Not Possible Before Alignment

Progress in Vocational Rehabilitation:



Ending Wait Times: Fully eliminated the waitlist so that Iowans with disabilities can start receiving workforce services immediately.



Improving the Workforce System: Directly partners with like-minded services to create better employment outcomes and pilot programs (working with IowaWORKS, IWD's Business Engagement team, and related areas).



Changing Job Requirements to Match Today's Labor Force: Improved staff recruitment and retention to drive more applicants and free up capacity for current staff to better serve Iowans.

Highlights of Aligned Programs Vocational Rehabilitation (FY 2024)



Total Iowans Served
23,216



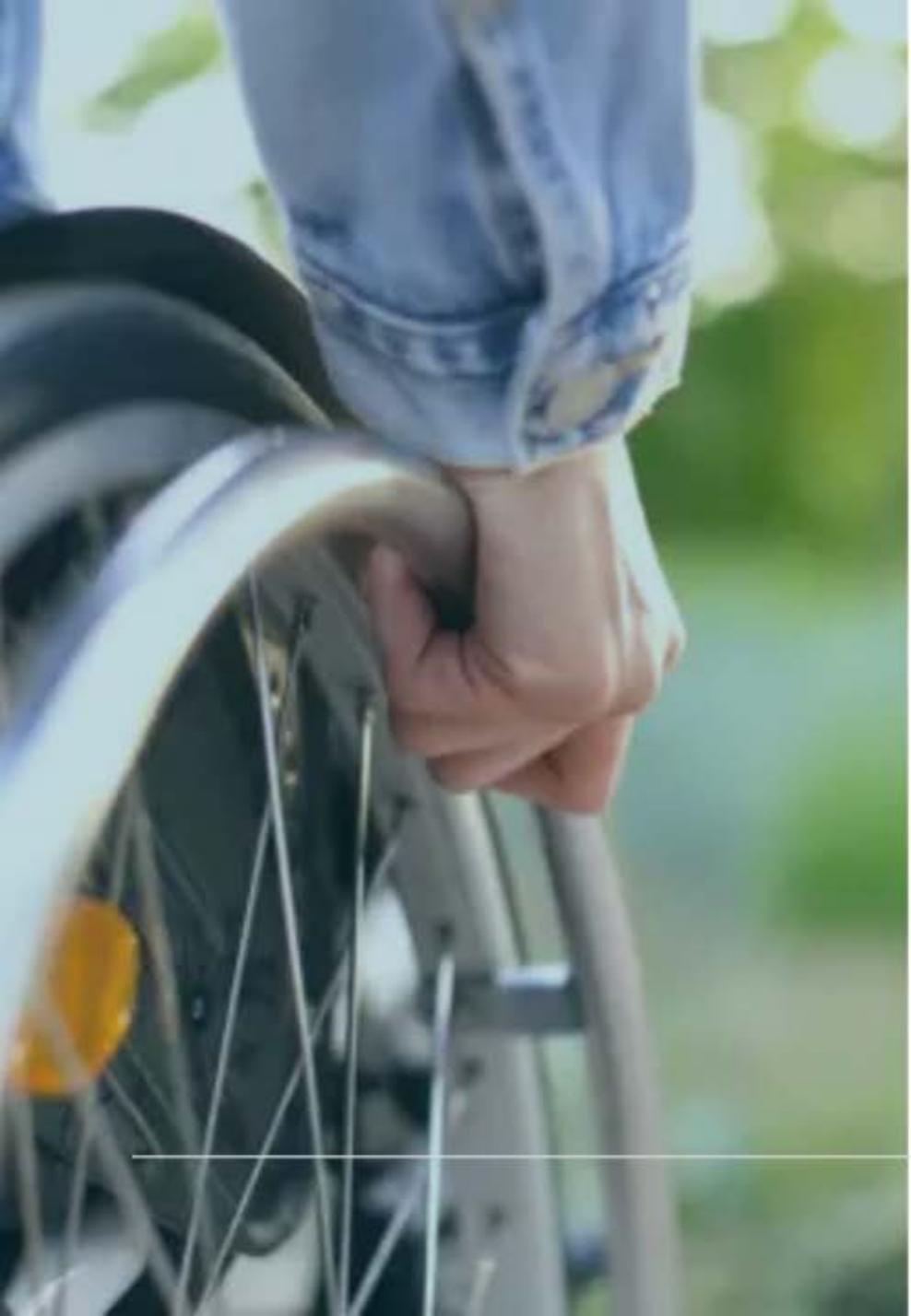
Estimated annual income of
Iowans Served
\$44.4 Million



Estimated savings (after candidates
on public assistance found jobs)
\$765,699



Percentage of Successful
Candidates who Remained in Iowa
97.1%

A close-up photograph of a person wearing a blue long-sleeved shirt, pushing a wheelchair. The person's hands are on the wheelchair's handles, and the front wheel is visible. The background is a soft-focus green, suggesting an outdoor setting.

Highlights of Aligned Programs

Iowa Disability Determination Services

- Federally funded but now exists as a division within IWD, providing accurate and timely decisions about disability claims filed with the Social Security Administration.
- Iowa DDS is not only recognized for their service to Iowans, but also their support for other states across the country.
- **Processing Time:** 4th Fastest in the U.S.
- **Decisional accuracy rate:** 98.4 percent
- **Employee Attrition Rate:** 4 percent (national average: 11.4 percent)

Having cleared over 100 percent of its cases during the last fiscal year, Iowa DDS went on to support over 8,000 cases or reviews in five other states.

Building a New Pipeline

Iowa Office of Apprenticeship (IOA)

- Iowa officially became a State Apprenticeship Agency (SAA) in 2024.
- Operates inside IWD and is better connected to the state's workforce strategy.
- Decisions on apprenticeship are now driven at the state level, increasing responsiveness to sponsor's needs and greater program innovation.



IOA's Plans For 2025

- Expanding the way sponsors receive information (office hours, specific trainings, apprenticeship program coordinators).
- Conducting outreach campaigns to identify new potential sponsors for RA programs.
- Establishing the State Apprenticeship Council to guide future strategy and program guidance.

Apprenticeship Programs
953

Active Apprentices
9,687

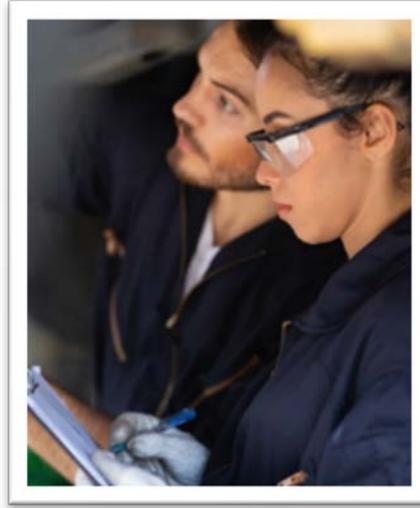
New Apprentices
4,767

New Occupations
78

Data: State Fiscal Year 2024

Employers Business Engagement Division

- Continues to serve as one-stop shop for individualized assistance to employers across industries.
- Responds to workforce challenges, while also proactively working with employers in strategic regions.
- Connect point for programs, referrals, and problem solving.



Employers Assisted
6,139

Issues Solved
25,876
**(recruitment, referrals,
program connections)**

Job Candidates Referred to
Employers
2,162

Data: State Fiscal Year 2024

Job Seekers Iowa **WORKS** Offices

Services Received
814,019

Workshops Taken
72,279

New Iowans Registered on
IowaWORKS.gov
60,107

Data: State Fiscal Year 2024

- Central employment network for job seekers with 18 offices around the state.
- Often serve as entry point for workforce programs and one-on-one case management.
- Career planners and staff assist individuals with expanded workshop and reemployment options.



Scaling Good Ideas to Grow the Workforce

IWD continues to focus on awarding innovative solutions to solve challenges across the workforce – including grants on child care, apprenticeships, youth internships, and more.

- **Child Care Business Incentive** – \$14 million
- **Teacher/Paraeducator Registered Apprenticeship** – \$3.4 million
- **Summer Youth Internship** - \$321,080
- **Annual Registered Apprenticeship Grants (84E and 84F)** - \$3.6 million
- **Central Iowa Job Training Program Grant** - \$100,000
- *Grants announced over the past year*

IWD Grants Bureau: By the Numbers



Managed Programs

14

Managed Grant Funds

\$95,264,019

Awardees

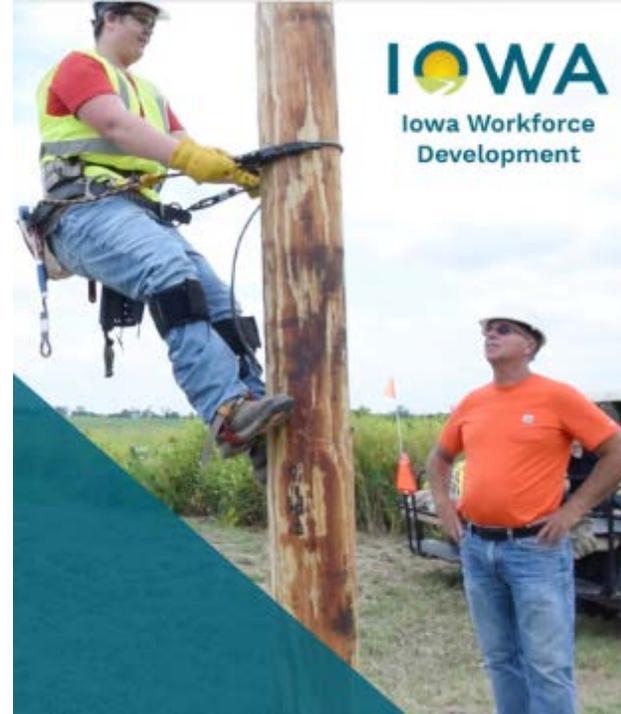
366

Data: State Fiscal Year 2024

Improving How We Get the Word Out

IWD has greatly expanded the ways it tells its story so that its public channels truly reflect the work being done to improve Iowa's workforce.

- **New consolidated website** (six websites transformed into one central site)
- **More stories being told in more mediums** (videos, newsletter, and media stories)
- **New tools to talk to and serve Iowans** (200 podcast episodes, new branding, modernized systems)



Episode 200 A New Deputy in Town



**MISSION:
EMPLOYABLE**

Hosted by Ben Oldach & Kathy Leggett

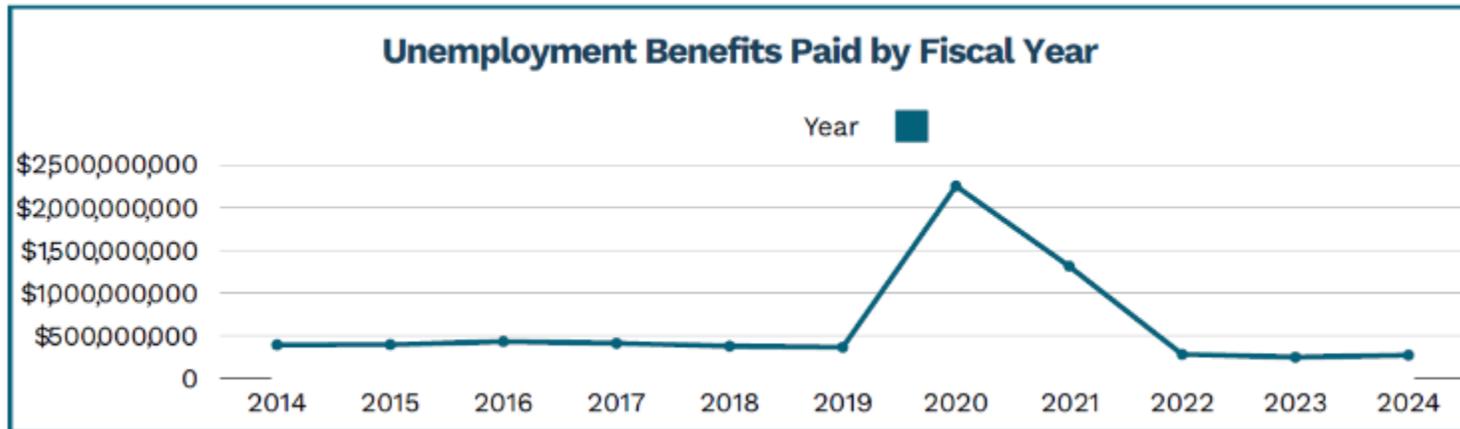


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The State of Unemployment

- Benefits paid and claims filed **remain at low levels.**
- Average duration of unemployment (9.0 weeks) is the **lowest in over 60 years of record keeping.**



147,115

- Initial Claims Filed

650,404

- Weekly Claims Filed

\$276,062,474

- Total Benefits Paid

Data: State Fiscal Year 2024

Improving UI Systems for the Better

IWD continues to make strides on modernizing its unemployment systems to better serve the state and its trust fund.

- **2024:**
 - Implemented the leading nationwide identity solution ID.me into its UI claims process – greatly improving fraud detection while expanding options for proving identities while filing.
- **2025:**
 - Working to implement UI Modernization this summer, which will vastly improve the claims system and focus the entire reemployment process in one area.



UI Benefit Payments Saved

- **RCM's success has resulted in substantial savings** for the UI Trust Fund when compared to pre-pandemic averages (2015-2019).
- UI Benefits paid out from calendar years 2022-2024 (first three years of RCM) were the **three lowest totals in the last 15 years.**
- Iowa's UI Trust Fund is the **9th highest balance in the nation** (2024 US DOL Report).

By the Numbers Annual Benefits Paid (Calendar Year)

Five-Year Average (2015-2019)

\$398,041,534

After RCM Implementation

2022 = \$253,914,156

2023 = \$260,476,759

2024 = \$316,386,582

Estimated Savings From RCM

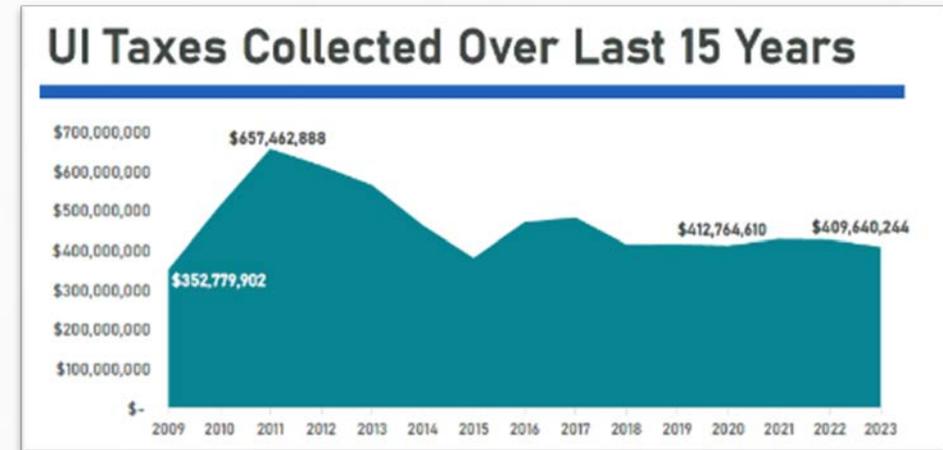
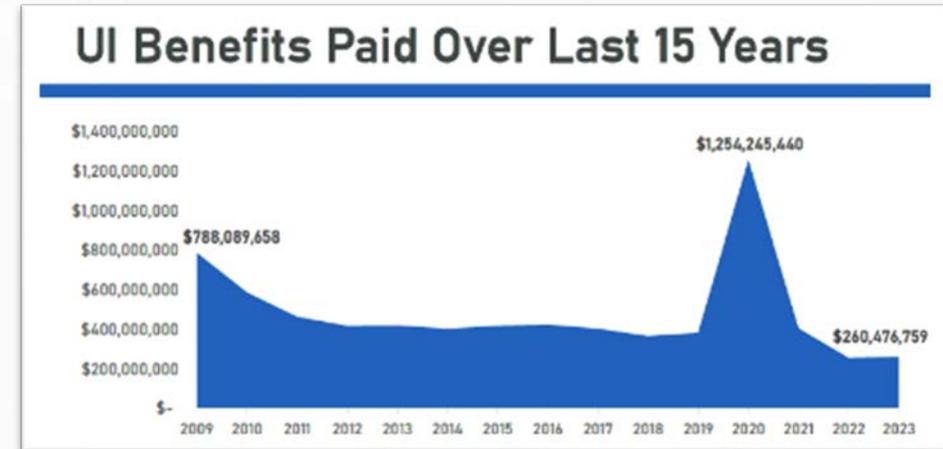
(First Three Calendar Years)

\$364 million



What's Next: Lower Taxes for Employers

- Gov. Reynolds' proposal redesigns the UI tax system, drastically simplifying unemployment taxes for employers.
- Reduces maximum tax rate to lowest allowed by law: **5.4% (currently 7.0%)**
- Cuts taxable wage base by **50% to \$19,800 for 2025** (wages are taxed up until that number)
- Projected employer savings: **\$974 million over five years.**
- Expected to return in 2025's legislative session.



More on UI Tax System Redesign

Reduces number of
tax tables:

8 → 4

Reduces employer
tax rankings:

21 → 7

Reduces overall tax
categories:

168 → 36

Projected Collection Amounts in Current and Proposed System

Year	Projected UI Benefits	Current Law	Proposed	Current Law	Proposed
		Projected Taxes	Projected Taxes	Trust Fund Balance	Trust Fund Balance
2026	\$ 284,893,000	\$ 386,122,000	\$ 220,444,000	\$ 2,250,059,600	\$ 2,083,080,600
2027	\$ 293,440,000	\$ 397,861,000	\$ 204,613,000	\$ 2,411,234,600	\$ 2,045,029,600
2028	\$ 302,245,000	\$ 409,649,000	\$ 210,677,000	\$ 2,579,458,600	\$ 2,003,222,600
2029	\$ 311,310,000	\$ 421,985,000	\$ 217,021,000	\$ 2,755,198,600	\$ 1,957,586,600
2030	\$ 320,649,000	\$ 434,664,000	\$ 223,541,000	\$ 2,938,712,600	\$ 1,907,921,600

Agency Fiscal Summary

Expense by Funding Source –
FY 2024

- **92.75%** - Federal (\$443,374,756)
- **7.25%** - State (\$34,669,807)

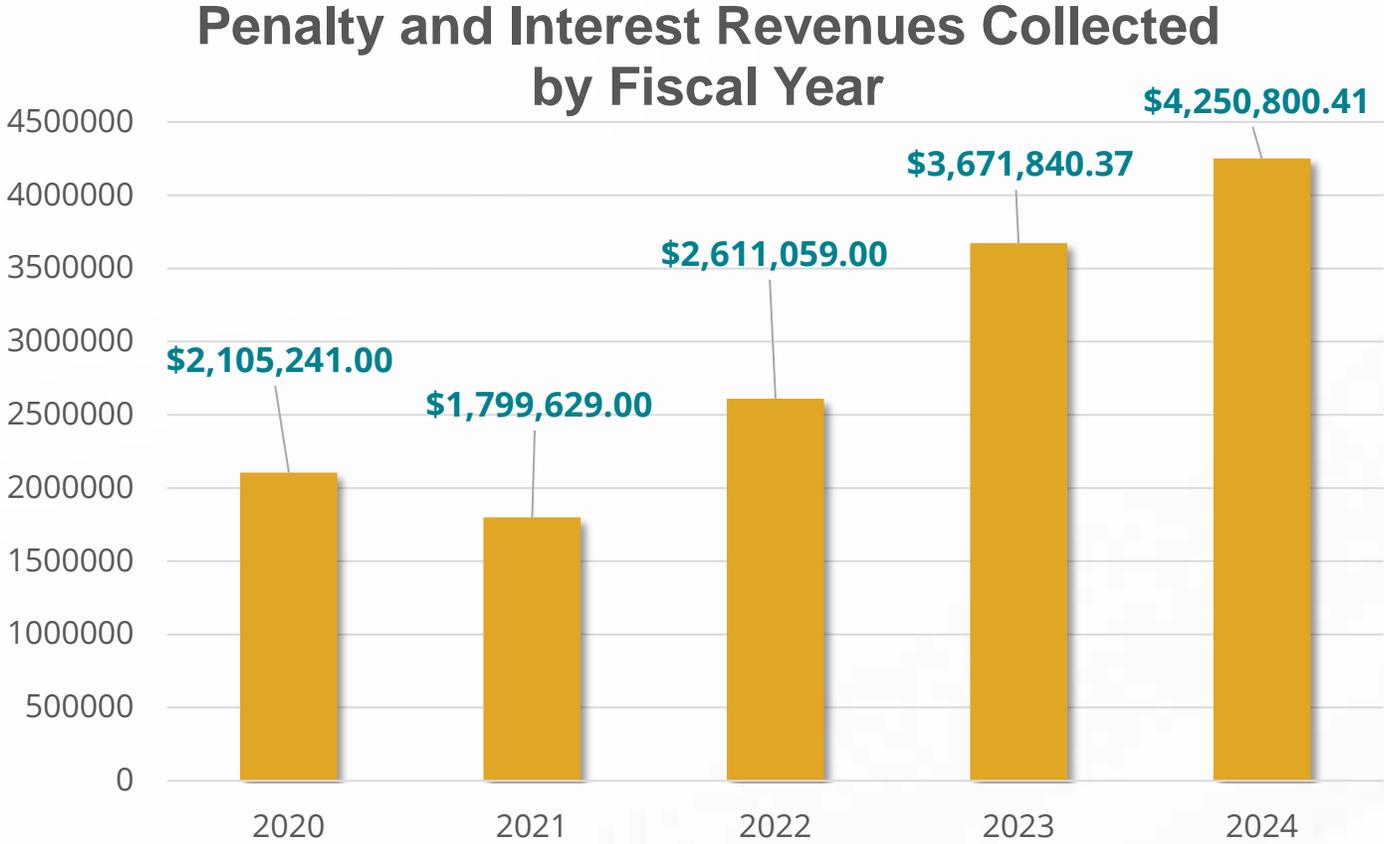


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Special Contingency Fund - FY 2024

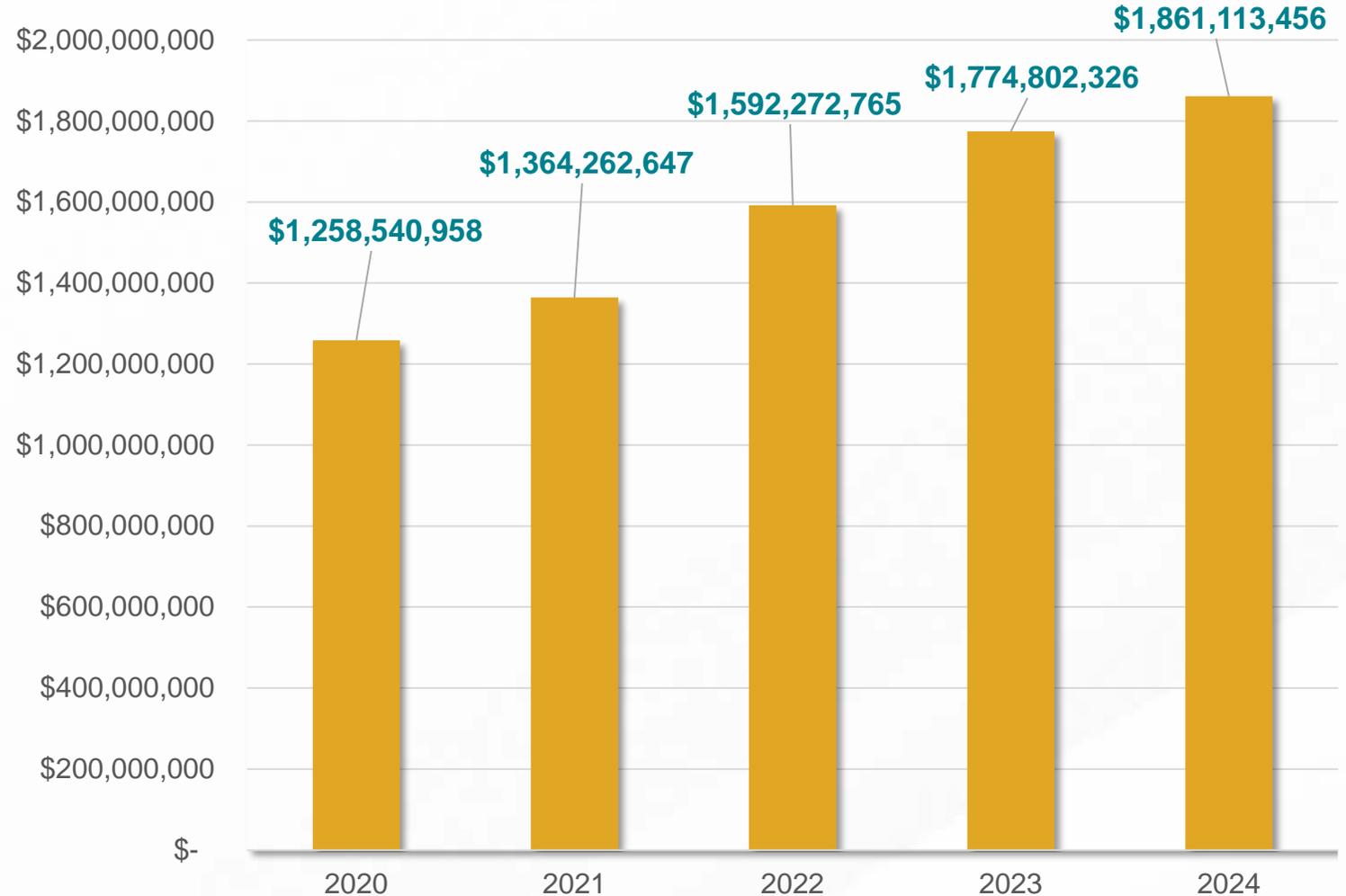


Status of Unemployment Trust Fund

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 2026 Recommendations

Field Offices
\$6,902,636

Offender Reentry
\$393,424

Employee Misclassification
\$382,685

Summer Youth Work Pilot
\$250,000

I3 State Accounting
System
\$228,822

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

IWD Field Offices (P + I)
\$4,616,084

Governor's FY 2026 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
\$143,297

Vocational
Rehabilitation
\$6,308,429

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

STEM Internships
\$633,325

Independent Living
Center Grant
\$86,547

- Total **General Fund**: \$9,544,881 (IWD) and \$6,623,077 (VR) = \$16,167,958
- Total **Skilled Worker and Job Creation Fund**: \$14,008,325





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Thank You!

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