



Iowa Workforce
Development

Budget Presentation

Economic Development Appropriations Subcommittee
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IWD Leadership



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About IWD



Lead state agency that drives **Iowa's workforce strategy, manages its workforce programs, and delivers the services** that builds the workforce employers are seeking.

Our Priorities:

- ① **Developing** a trained workforce to meet employer needs by:
 - I. Building the next generation through support of employer accessible workforce training.
 - II. Breaking down barriers to employment.
 - III. Supporting employer growth and sustainability.
- ② **Providing** innovative solutions to workforce challenges.
- ③ **Continually improving** and enhancing overall services to our customers.

How We Support the Workforce



Unemployed/Job Seekers

- File Claims and Create Reemployment Plans
- Access Iowa *WORKS*: Jobs, Workshops, and Resources
- Explore Vocational Rehabilitation Services
- Utilize Veteran Programs and Incentives
- Get Support Through Worker-Assistance Programs (WIOA)
- Participate in Registered Apprenticeship and Work-Based Learning



Employers

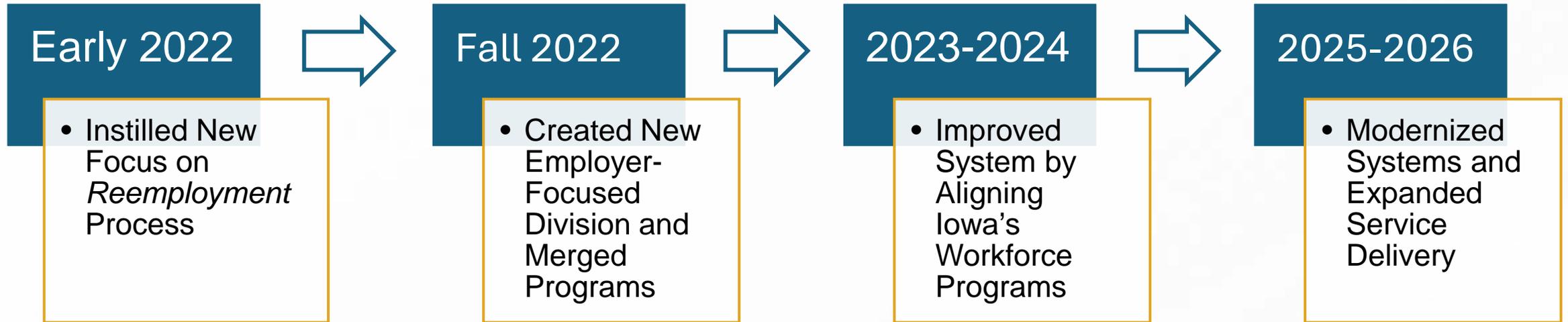
- Engage in One-on-One Business Support
- Access Programs That Drive Worker Training
- Manage Unemployment Taxes
- Sponsor Apprenticeship and Internship Programs
- Receive Rapid Response Support for Layoffs and Layoff Aversion
- Connect Directly to Job Seekers
- Gain Insights and Innovations



Insights and Innovations

- Apply for Workforce Grants
- Understand the Unemployment Trust Fund
- Review Labor Market Information: Reports, Studies, and Career Exploration
- Connect with the Iowa Office of Apprenticeship

How IWD Improved the Workforce System



State of the Economy (Compared to 2024)

+35,700

Total Labor Force
1,750,100

+0.8%

Labor Force Participation
67.7%

+0.2%

Unemployment Rate
3.5%

+2,700

Nonfarm Employment
1,595,500



2025 Agency Milestones



Implementing Largest Reduction
of UI Taxes In State History



Expanding Access and
Improving Workforce Services



Improving and Modernizing
Iowa's Unemployment System

Historic UI Tax Cut for Employers

- **Governor Reynolds' new law to simplify Unemployment Insurance (UI) taxes** represented the largest reduction of UI taxes in Iowa's history.
- Reduced maximum tax rate and cut the taxable wage base by **nearly 50 percent**.
 - 2026 taxable wage base: \$20,400
 - **Down from \$39,500** in 2025
 - **Estimated to save \$974 million** for employers over five years
- After updating the UI tax law, the rates paid by employers also remained at **the lowest possible tax table (Table D) for the fourth year in a row.**



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

Expanding Access and Improving Workforce Services

Iowa's workforce system **now operates in close proximity**, with all core partners and programs working together to boost outcomes for job seekers and resources for employers.

- **Improved coordination** across all IowaWORKS offices
- New partnerships and **upgraded accommodations**
- **Greater usage of modern workforce tools** (*Mobile Workforce Center, Virtual Workshops, one-on-one career planning*)





Progress in Vocational Rehabilitation (VR)

Now operating as an integral part of Iowa Workforce Development (IWD), VR has streamlined processes and strengthened its role in the workforce system.

- **Eliminated Wait Times (No More Waitlist)** So that Iowans Can Receive Services Immediately
- **Improving Integration of VR** with all Core Partners in Iowa's Workforce System
- **Modernizing Systems** to Improve Technical Resources and Overall Case Management

Improving VR's Role in the Workforce System

- **Better integration within American Job Centers (Iowa WORKS Offices)**
- **Greater engagement with stakeholders and employers who hire Iowans with disabilities**
- **Expanding pilot programs and new efficiencies**



Responding to Workforce Challenges

IWD led the state's response to workforce challenges in FY 2025.



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



6,938: Total workers served by on-site by Rapid Response.



Support **included job fairs, resume & skills building, language classes, and other tools** to support their path to reemployment.





“Success for the Mobile Workforce Center is meeting people where they are. We’re bringing them hope...by expanding our services to those who can’t get to the office.”

- Edgar Ramirez, Driver and Career Planner ([Video Link](#))

Mobile Workforce Center

By the Numbers (FY 2025)

1,174

IOWANS
SERVED

180

LOCATIONS
VISITED

36

RAPID RESPONSE
EVENTS

31

CAREER FAIR
EVENTS

Reshaping Iowa's Unemployment System, For Good

1

Overhauled Entire Reemployment Process *(Reemployment Case Management)*

Nationally-recognized solution that is driving Iowans back into the workforce more quickly, reducing average time on unemployment.

2

Modernized Claims Filing *(IowaWORKS)*

Iowa's claims system is completely modernized, with the entire process now taking place in one centralized system (iowaworks.gov).

3

Up Next: Completely Paperless UI System *(2026 Proposal)*

Projected to save \$960,000 each year.

NEW Unemployment System

NOW LIVE



iowaworks.gov

Modernizing Iowa's Unemployment System

- In 2025, IWD completely overhauled its unemployment system to **launch the most significant upgrade in several decades (since 1973)**.
- Now, the entire claims process – and reemployment process – **takes place in one system (iowaworks.gov)**.
- **Filing a claim is easier**, processes are automated/more efficient, and claimants now have a one central hub where they can manage all tasks.

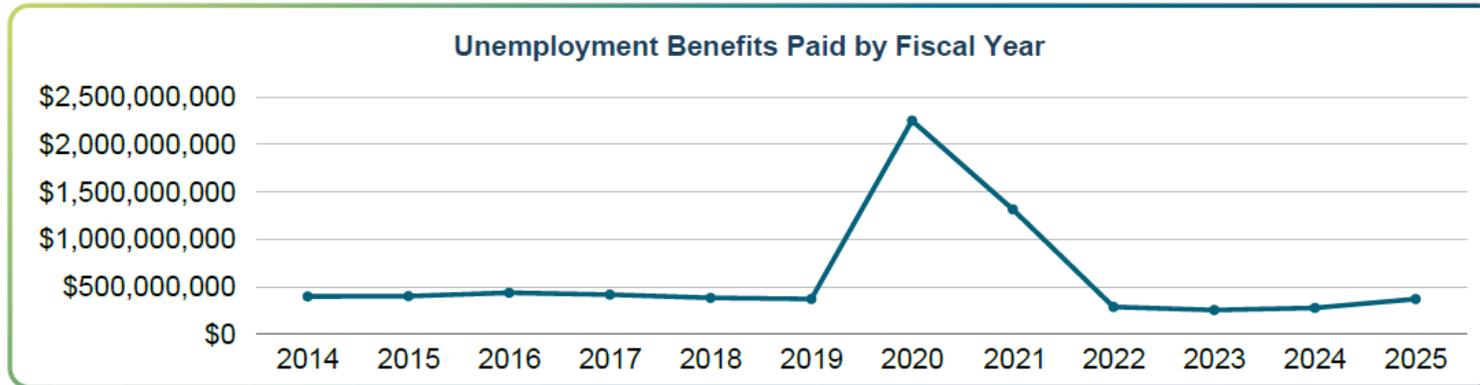


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The State of Unemployment

- **Total UI claims and benefits paid experienced a slight increase in FY 2025 compared to FY 2024, yet still remain low compared to historical averages.**



151,482

- Initial Claims Filed

806,470

- Weekly Claims Filed

\$369,481,811

- Total Benefits Paid

Data: Fiscal Year 2025

Veterans Services that Make a Difference



- IWD focused not only on expanding the ways it talked about “Why Iowa” but also on the many employers and communities who became committed to hiring Veterans and their families.
- Programs like **Home Base Iowa (HBI)** and **DoW SkillBridge** saw more commitments to real internships and incentives.
- In FY 2025, Iowa saw:
 - **6 New HBI Communities** (145 total)
 - **18 New HBI Employers** (257 total)
 - **19 New SkillBridge Opportunities** (56 total)



*“It’s not just the signs...[Iowa] sold us on the culture too. **This is definitely a place that wants to bring Veterans in.** They’re a net benefit.”*

- Jacob Ledford, 20-year Veteran of the United States Marines Corps who utilized HBI to assist in his relocation efforts to Iowa.



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**Retired Marine
Shares Why
He Chose Iowa
To Call Home**

[\(Video Link\)](#)

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 push handles. The background is a soft-focus green, suggesting an outdoor setting.

Other Highlights

Iowa Disability Determination Services

- Federally funded but acting as a division within IWD, Iowa DDS provides accurate and timely decisions about disability claims filed with the Social Security Administration.
- Continued to receive national recognition for its low processing times and its additional support of other states' cases (after clearing all Iowa cases).
- Recently named new administrator (Ann Davis) following the retirement of the previous administrator.
- **Average Processing Time:** 80.9 days (national average: 190 days)
- **Iowa Cases Cleared:** 19,647
- **Savings in FY 2025:** \$422,000 (moved offices and reduced occupancy footprint by 72 percent)



A Partner to Business: Building Iowa's Future Pipeline

IWD has doubled down on its investment to become a stronger partner for Iowa businesses. Working together, the agency's Business Engagement team, state apprenticeship office, and training programs are helping prepare Iowa's future workforce.



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Partner to Business

Business Engagement Division



One-stop shop operating across the state to provide individualized assistance across all industries.



Business Engagement Consultants (BECs) act as the division's front line, working from IowaWORKS offices.



BECs respond to daily workforce challenges while also working proactively with employers in strategic regions.

6,318

(3,702 New)

Employers Assisted

26,135

Services Provided

(recruitment, problem solving, referrals, program connections)

Data: Fiscal Year 2025



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Business Engagement Testimonial

“For our hiring needs, we enlisted the help of Brenda Noe (BEC) and her team in Ottumwa. All I can say is she is remarkable! I’ve been in retail over thirty years and have never experienced the attention and professionalism Brenda and her team gave us. I know her job is to help/assist, but this was taken to a whole new level.... You don’t find this type of attention these days.”

- Ollie's Bargain Outlet, Recently Opened Store in Ottumwa



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Serving Registered Apprenticeship Sponsors (IOA)

- The Iowa Office of Apprenticeship (IOA) continues to improve service delivery and the ways that Registered Apprenticeship sponsors (employers) grow their programs.
- In 2025, the IOA focused on:
 - Upgraded, one-on-one service.
 - New sponsor orientations, office hours, and professional development.
 - Innovative approaches to programs and grants to support a wide variety of industries.



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RA Snapshot: Stories and Data



Apprenticeship Programs
928

Active Apprentices
9,281

Participating Employers
2,124

Data: Fiscal Year 2025

Championing Good Ideas to Grow the Workforce

IWD continues to focus on awarding and supporting employers who embrace creative solutions to solve their workforce challenges, with several new or expanded grants awarded in FY 2025:

- **Iowa Healthcare Credentialing Grant** – \$2.94 million
- **Child Care Business Incentive** – \$14 million
- **Teacher/Paraeducator Registered Apprenticeship 2.0** – \$3.4 million
- **Annual Registered Apprenticeship Grants (84E and 84F)** - \$3.4 million

IWD Grants Bureau: By the Numbers



Managed Grant Programs

16

Managed Grant Funds

\$94,077,279

Awardees

372

Data: Fiscal Year 2025

Looking Ahead: Recommendations to Improve Iowa's Workforce System

IWD engaged with the Iowa DOGE Task Force in 2025 to provide insight and data on the state's workforce system, employer challenges, and overall programs. Final DOGE Workforce Recommendations included:

- **Modernizing workforce funding**, sunsetting decades-old models to create a new employer-directed training fund, workforce infrastructure fund, and scholarship fund for high-demand careers.
- **Repurpose grant and program funding** to spur new growth in apprenticeships, while supporting employer upskilling programs.
- **Establish mechanisms to improve program evaluation** and better deliver the labor demand needed today through business-led program reviews and incentives for instructors in high-demand fields.



2026 Proposal

Workforce Opportunity Fund

Based on DOGE Recommendations, a \$48.8 million (proposed) *Workforce Opportunity Fund* administered by IWD would empower employers to train new workers, upskill current staff, and leverage emerging technology (such as AI) to accelerate growth in the state's high-demand industries.

- **Employers awarded competitive grants would choose the training platform and provider** that best fits their needs and timeline (the business would cover 50% of the costs).
- **Priority industries (those defined as high-demand)** would include healthcare, biotech, IT, the trades, and advanced manufacturing (including those who have participated in Manufacturing 4.0)
- **Bottom Line:** Provide employers with direct access to workforce training funds to upskill existing employees or train new employees.



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Agency Fiscal Summary

Expense by Funding Source –
FY 2025

- **95.15%** - Federal (\$680,903,690)
- **4.85%** - State (\$34,669,807)

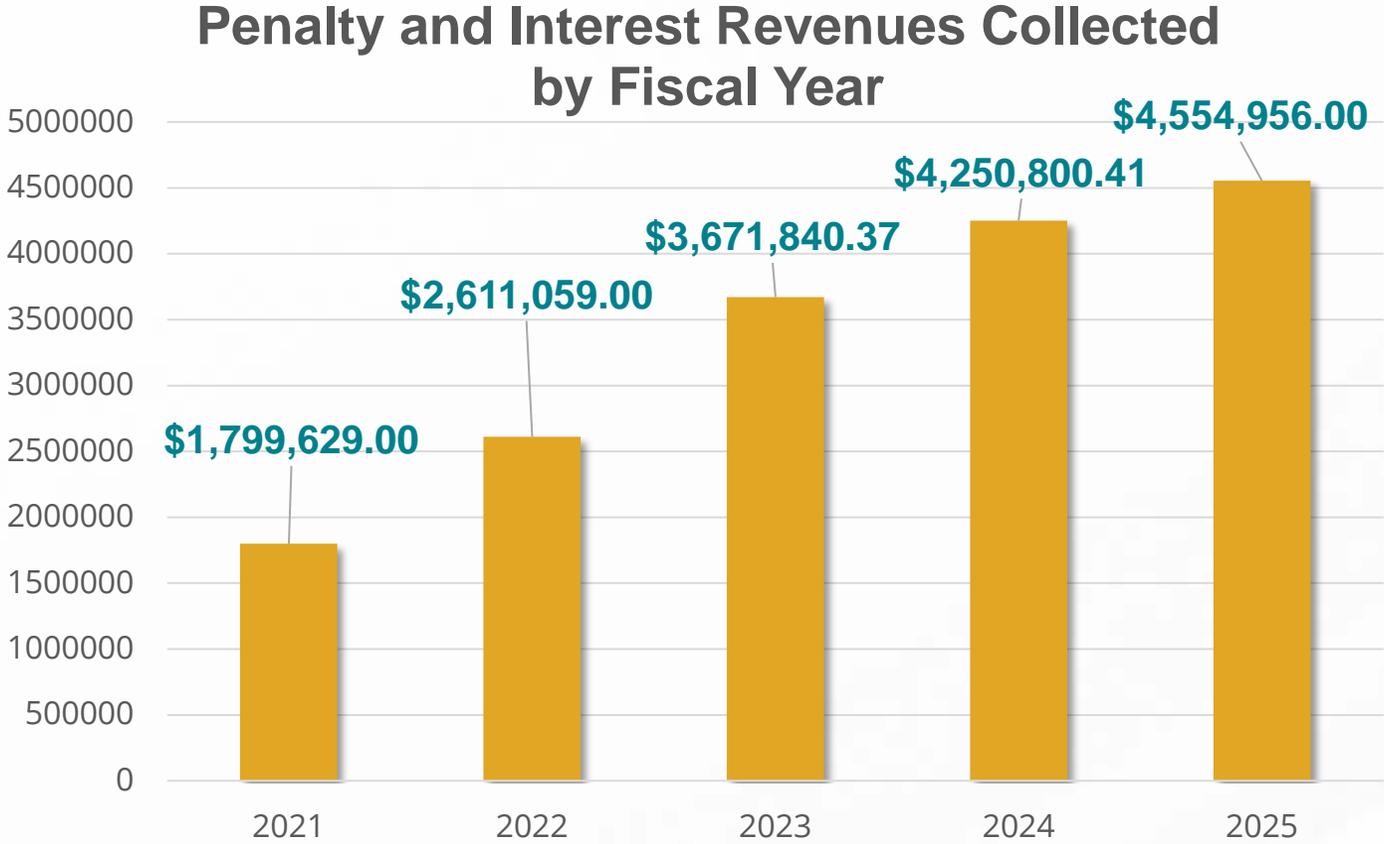


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Special Contingency Fund - FY 2025

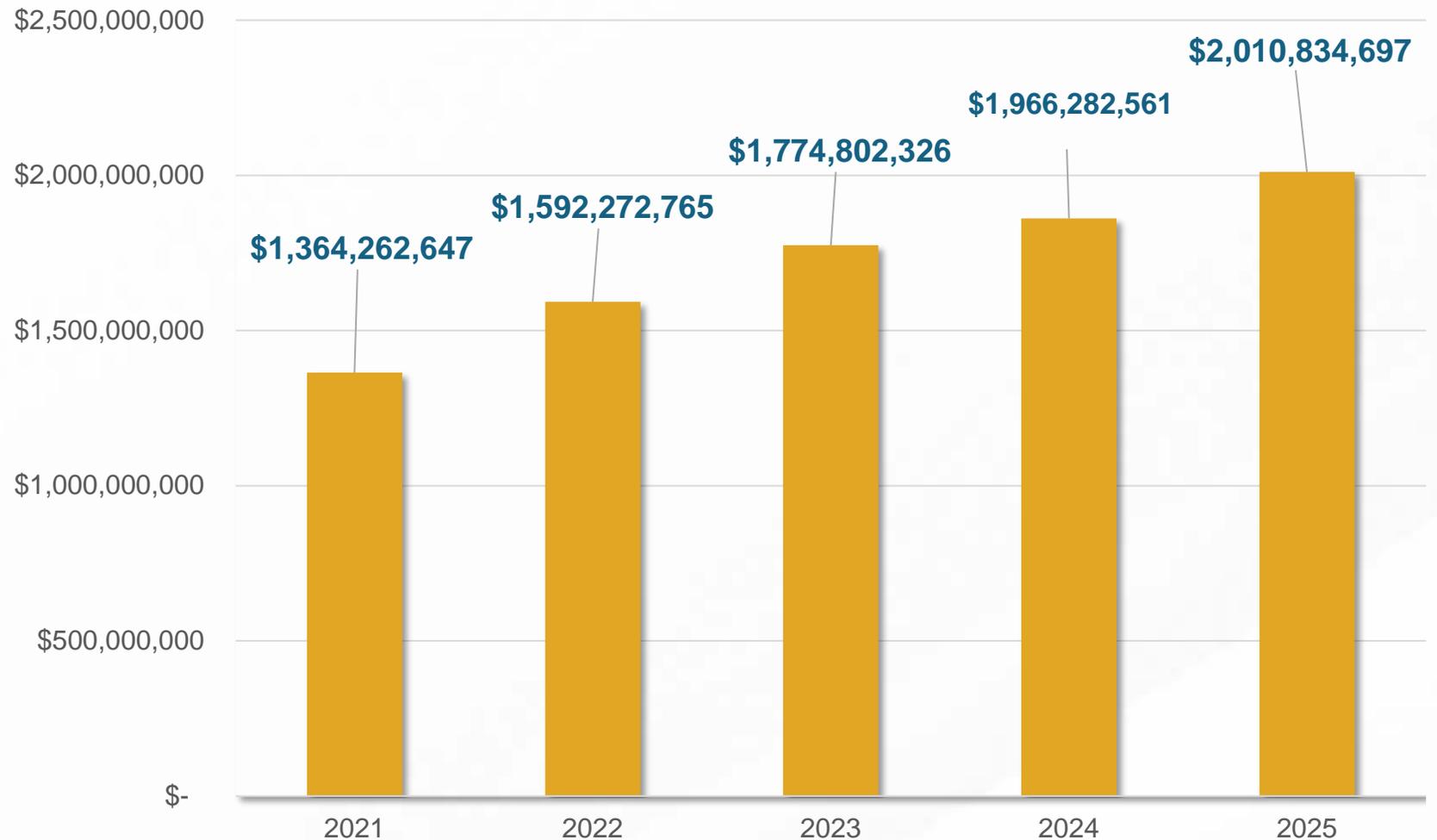


Status of Unemployment Trust Fund

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 2027 Recommendations

\$15,100,000

Job Training Fund

\$6,902,636

Field Offices

\$387,158

Offender Reentry

\$228,822

I3 State Accounting
System

\$760,000

Registered
Apprenticeship (New
RA Programs)

\$4,616,084

IWD Field Offices
(P + I)

Governor's FY 2027 Recommendations (Cont.)

\$48,788,736

Workforce Opportunity
Fund

\$4,750,000

Job Training

\$500,000

Adult Education and
Literacy Programs

\$3,000,000

Apprenticeship Training
Program (Existing RA
Programs)

\$4,500,000

Adult Literacy for the
Workforce

\$138,506

Entrepreneurs
w/Disabilities

\$6,226,739

Vocational
Rehabilitation

- Total **General Fund**: \$9,042,677 (IWD) and \$6,226,739 (VR) = \$15,269,416
- Total **Skilled Worker and Job Creation Fund**: \$27,475,000



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Thank You!

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