



Annual Report

Service to Iowans
Fiscal Year 2002 Annual Report
Iowa Workforce Development



Vision: Iowa Workforce Development envisions a future where Iowa has safe workplaces, a productive and economically secure workforce, and where Iowans are prepared for an ever-changing future.

Mission: Iowa Workforce Development will provide quality, customer-driven services that support prosperity, productivity, health and safety for Iowans.

Guiding Principles

- Integrity
- Results/Outcome Orientation
- Collaboration and Partnership
- Data-Based Decisions
- Long-Term Thinking
- Manage Diverse Resources
- Honor and Respect Diversity
- Leadership in the New Economy
- Customer Focus
- Model the Characteristics of a High Performance Workplace



From the Director

I am pleased to present Iowa Workforce Development's annual report for fiscal year 2002 (July 1, 2001-June 30, 2002). This report contains valuable information about the services Iowa Workforce Development and its partners provided for Iowans during the past fiscal year in the area of workforce development.

Fiscal year 2002 was very difficult due to reduced state and federal revenues and loss of staff from layoffs and early retirements. IWD has made every effort to reduce administrative costs; maintain field office staff to continue services to our customers; provide numerous self-service options through our Web site and the use of technology; and streamline processes based on customer input.

We invite all citizens, businesses, and non-profit organizations in Iowa to join with Iowa Workforce Development and its partners to assist in the achievement of Governor Vilsack's goal of transforming the Iowa economy through the creation of high-wage jobs and increasing the number of working Iowans with college experience.

Sincerely,

A handwritten signature in blue ink that reads "Richard V. Running". The signature is written in a cursive, flowing style.

Richard V. Running
Director, Iowa Workforce Development

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Iowa's Labor Force

After several years of prosperity and increasingly tight labor supplies, the national recession affected the state's economy in early 2001. In contrast to previous recessions, the downturn was largely driven by a falloff in business investment rather than a change in consumer spending. Other factors, such as the increase in oil prices, the string of telecom network and dot-com failures, and the stock market tumble also set the stage for the national recession.

The state's unemployment rate increased from an average of 3 percent for first quarter 2001 to 3.7 percent for fourth quarter. After a slight easing in the unemployment rate to 3.4 percent for first quarter 2002, the recovery stalled. During the second half of 2002, the unemployment rate approached 4 percent.

Eventhough the anticipated recovery did not materialize in 2002, the Iowa economy continued to grow. The number of working Iowans peaked at 1,567,200 in September 2002. The employment level for the year is expected to average 1,557,000, the highest level ever recorded in Iowa. This figure compares with 1,534,800 for 2001.

Two industries—construction and finance—have been remarkably resilient throughout the downturn and have continued to add workers. The state's manufacturing industry, especially industrial machinery, incurred layoffs. Other industries that lost employment include transportation, communication and utilities; wholesale and retail trade; and services.

The outlook for 2003 calls for improvement over conditions experienced in 2001 and 2002. The state's manufacturing industries are expected to slowly begin rebuilding their inventories. Most economists believe that by the spring of 2003 businesses will have regained the certainty they need to make new investments.

Iowa Workforce Development

IWD strives to improve the income, productivity and safety of all Iowans. In conjunction with state and local economic development efforts, IWD also assists businesses to fulfill their workforce needs. The majority of IWD services are mandated by state and federal laws and regulations.

Major products and services of IWD are:

- Workforce Center Services (Services to assist businesses to identify and hire productive employees, and workers to obtain jobs and achieve career growth.)
- Compliance Assistance and Enforcement (Various activities to enhance the economic security, safety and health of Iowans.)
- Unemployment Insurance (Benefits for persons who have lost their job through no fault of their own.)
- Workforce Information and Analysis (Data for business, schools, individuals, economic developers, and government to allow them to make informed choices about careers, expansions, wage levels, etc.)
- Adjudication, Compliance, and Education (Adjudication of income support issues for workers who have been injured on the job and unemployment insurance appeals.)
- Support Services (Internal services, such as human resources, financial and budget support, public relations, etc. that support the department as a whole.)

We provide services through a statewide delivery system developed in conjunction with our workforce development partners. Administrative staff are centralized in two offices in Des Moines located at 1000 East Grand Avenue and 150 Des Moines Street. In 1999, the unemployment insurance service center was established at 150 Des Moines Street. The unemployment insurance service center handles a substantial share of new and continued claims.

IWD maintains a network of local centers within 16 regions of Iowa. Each region has a full-service workforce development center with a network of itinerant and satellite offices. Many centers are shared by multiple workforce partners, including non-profit organizations, the Department of Human Services, Vocational Rehabilitation, and community colleges.

Through a comprehensive web site, we also provide customer access to major services, such as posting résumés and filing unemployment insurance claims, basic service information and labor market information, 24 hours a day, seven days a week.

IWD is a department within the executive branch of Iowa State Government. It was established in 1996 by Iowa Code Chapter 84A. At that time the Department of Employment Services and portions of the Departments of Economic Development and Human Rights were merged into a new department with the purpose of administering the laws of Iowa relating to unemployment compensation insurance, job placement and training, employment safety, labor standards, workers' compensation and others.

Under Director Richard Running's direction, the department has 6 divisions: Administrative Services, Labor Services, Policy and Information, Unemployment Insurance, Workers' Compensation, and Workforce Development Center Administration. IWD is a proactive, customer-driven organization. IWD colleagues are committed to providing quality services to all Iowans. Our culture emphasizes decisions being made at the local level rather than the state level. The Director stresses open and honest communications at all levels.

During fiscal year 2002 IWD had 759 employees with 423 of those employees working in 71 Workforce Development Centers and satellite offices serving all 99 counties. Additional staff provide services throughout the state, but work out of their homes. As needed, contract staff are hired for special projects and activities. During fiscal year 2002, IWD experienced a substantial number of early retirements and layoffs, greatly affecting staff workloads.

Of the 689 positions currently authorized, 3 are classified as service/maintenance; 104 provide administrative support; 17 are paraprofessionals; 50 are technicians; 466 are professional; and 49 are officials/ administrators. The department's employees are represented by two unions: the American Federation of State, County and Municipal Employees and Iowa United Professionals.

The Workers' Compensation Division utilizes electronic data interchange (EDI) protocols for injury and claims processing reports, maintaining a "paperless" database to meet customer needs and make the system more efficient.

The Unemployment Insurance Division is beginning the process of redesigning the current tax collection system into a paperless, electronic system. The Workforce Development Center Administration Division is transitioning from two electronic labor exchange systems to one Internet-based, skills-based system.

Divisions have unique equipment needs. The Workers' Compensation and Labor Divisions have very specialized equipment needs to fulfill their missions. The Workers' Compensation Division and Unemployment Appeals Unit are utilizing voice recognition technology to dictate decisions. The Central Office maintains its own mailroom and printing capabilities.

The department is responsible for the administration of state and federal statutes related to public health and safety and workforce and workplace issues. Iowa's Occupational, Safety and Health Administration and administration of workers' compensation laws are located within the department. IWD's emphasis is on voluntary compliance through education and preventive services.

Achieving Results for Iowa

Customer Satisfaction Results

The state of Iowa has a state ombudsman (SO) who handles complaints from citizens concerning all state departments. In 2001, 1.2 percent of all complaints received by the SO dealt with Iowa

Workforce Development and its services. The percentage of total complaints related to IWD has ranged from a high of 2.0 percent in 1996 to a low of 0.9 percent in 1999.

IWD-Related Complaints and Requests Processed by State Ombudsman's Office

Calendar Year	Complaints Received State Ombudsman Had Jurisdiction	Complaints Received State Ombudsman Did Not Have Jurisdiction	Information/Referral	Other	Total	Percentage of All Complaints Received
2001	36	0	30	4	70	1.20%
2000	40	0	22	11	73	1.20%
1999	28	0	10	10	48	0.90%
1998	42	0	27	0	69	1.40%
1997	32	0	22	1	55	1.20%
1996	42	1	17	0	60	2.00%

Customer comment cards are available in each IWD office. During fiscal year 2002, customers indicated the following:

- 26% of persons filling out comment cards were first-time visitors to IWD.
- 80% indicated that they received the service they requested.
- 85% rated overall service as good or very good and 90% rated office procedures as good or very good.

Comment cards are tracked and suggestions for improvements are reviewed on a regular basis to improve the department's products and services.

Iowa Workforce Development, in conjunction with the Association of Business and Industry and the Professional Developers of Iowa, conducted a series of 19 business roundtables throughout the state to gather business input to IWD products and services. 400 businesses attended the roundtables. Input from the series is being used to redesign and improve IWD products and services.

Product & Service Results

Iowa Workforce Development provides a wide range of products and services to a large number of Iowans each year.

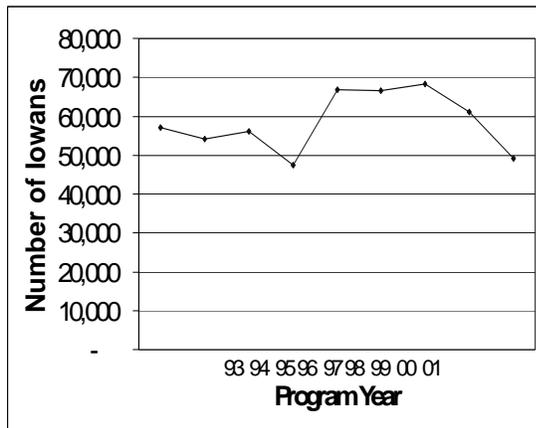
- Iowa employers submitted 88,738 requests to fill job openings.
- The average hourly wage of job orders filled was \$8.85.
- 189,432 Iowans used job placement services and 154,436 Iowans filed new claims for unemployment insurance benefits when they lost their job through no fault of their own.
- 23,587 persons were injured and received workers' compensation benefits during fiscal year 2002.
- The IWD Web sites averaged over 2 million hits per month.
- More than 1.1 million Iowans are provided healthy, safe workplaces through the enforcement of Iowa's occupational health and safety laws.

The results IWD achieved in fiscal year 2002 are shown below in six categories: job placement; unemployment insurance; labor services; job training; and workers' compensation.

Job Placement

One of IWD's primary functions is to assist with job placement for both applicants and businesses. In fiscal year 2002 (program year 2001), 189,432 job applicants received placement assistance with 49,259 individuals placed in employment.

Job Applicants Placed in Employment



By working with Iowa businesses, IWD has steadily increased the average wage paid for job openings filled for Iowa businesses, providing Iowans with higher paying employment options.

Job Openings by Iowa Businesses and Average Wage of Job Openings Filled

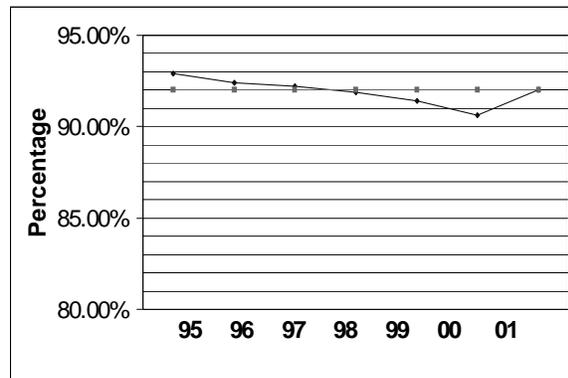
Program Year	Total Job Orders	Average Hourly Wage of Job Orders Filled
1993	118,432	NA
1994	136,470	NA
1995	138,284	NA
1996	120,876	\$7.30
1997	129,573	\$7.75
1998	131,502	\$7.95
1999	123,870	\$8.09
2000	104,228	\$8.68
2001	88,738	\$8.89

The department is developing many self-service options for customers. These services are found on either the IWD Web site (www.iowaworkforce.org, which provides information about the department in general) or the IWD IowaJobs Web site (www.iowajobs.org, which lists more than 7,000 job openings daily).

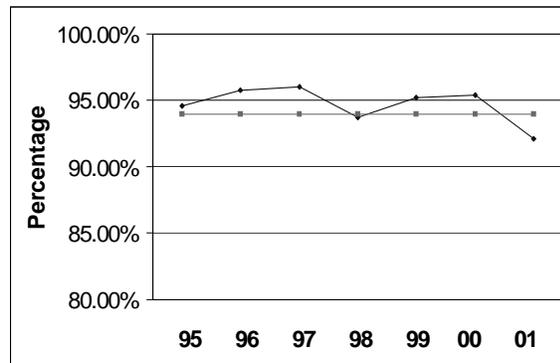
Unemployment Insurance

Efficient administration of the unemployment insurance (UI) system is critical to provide unemployed Iowans with temporary income support when they lose their job through no fault of their own. The Tax Performance System (TPS) and the Benefits Accuracy Measurement (BAM) determine the efficiency of the unemployment insurance system. TPS examines small random samples of basic tax functions to evaluate the UI tax operation's work products. BAM determines the accuracy of UI benefits' payments by thorough reviews of random samples of payments. Data collected from both programs are used as a basis for program improvement. The goal is to maintain BAM at 92 percent or better and TPS at 94 percent or better.

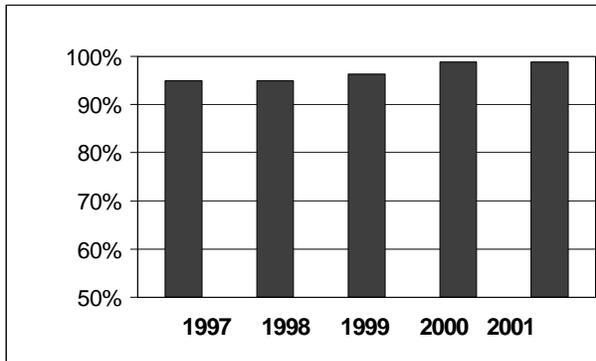
Benefit Accuracy Measurement



Measurement of the UI Tax Performance System



Percentage of UI Appeals Meeting DOL's Quality Standards

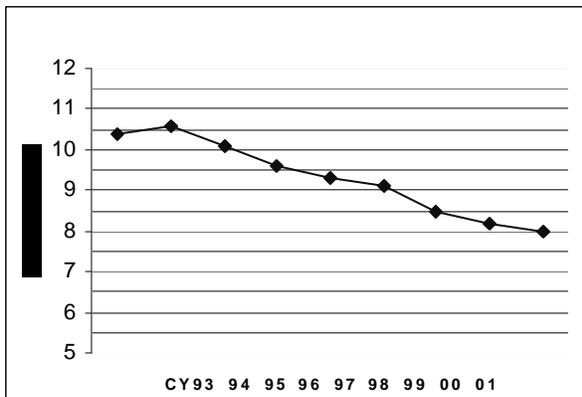


The quality of unemployment insurance appeals processed is measured by the percentage of appeals that meet the U.S. Department of Labor's quality standards. IWD consistently meets quality standards in 95-96% cases.

Labor Services

The Labor Services Division provides numerous services to the citizens and businesses of Iowa. A key measure of workforce health and safety is the occupational injury and illness incidence rate (the number of workplace injuries and illnesses per 100 employees). Due to increased compliance with health and safety regulations by Iowa businesses and better targeting of OSHA enforcement activities to high incidence rate industries, this rate has declined steadily each year since 1994. Iowa OSHA is redesigning procedures with the goal to lower the rate even further during the next five years.

Occupational Injury and Illnesses Incident Rates (All Industries)



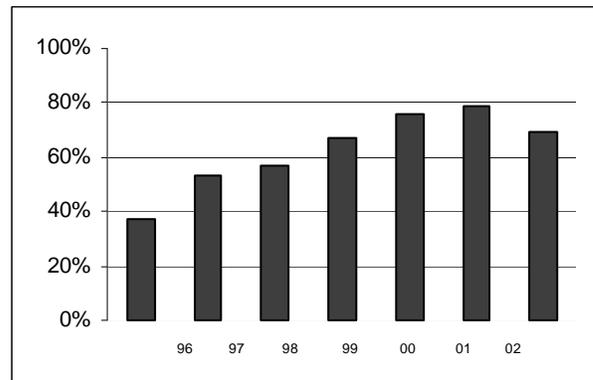
The Labor Services Division also is responsible for ensuring the safety of Iowans through amusement ride permits and inspections and elevator and boiler permits and inspections. Amusement ride injuries

dropped dramatically this fiscal year. Elevator investigations also dropped dramatically to a low of 15 this fiscal year. There were no serious injuries reported from fiscal year 1995 through fiscal year 2002 as a result of boiler or pressure vessel accidents.

Fiscal Year	Elevator Investigations	Amusement Ride Personal Injuries
1995	28	0
1996	30	4
1997	29	5
1998	33	6
1999	16	4
2000	21	5
2001	15	2

The OSHA Consultation Bureau strives to constantly improve their response rate to businesses requesting consultation services. The percentage of requests responded to within 60 days dropped slightly in FY2002, but is still almost double the 37 percent mark in fiscal year 1996.

Percentage of Consultation Requests Responded to Within 60 Days



* FY02 drop due to loss of 2 experienced health consultants

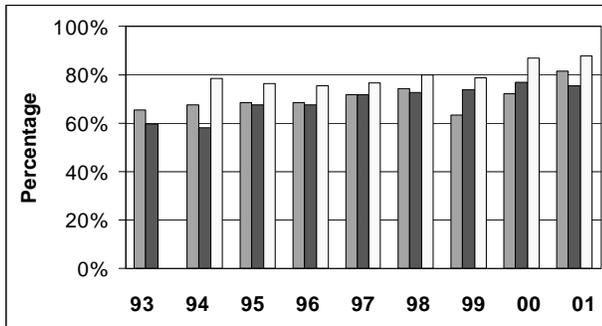
For additional information concerning the Labor Services Division's accomplishments, see page 8.

Job Training

The Workforce Investment Act (WIA) provides eligible Iowans training services with the goal of obtaining full-time employment. The percentage of adult, youth and dislocated workers who have received WIA training services and entered employment has steadily increased over time. On the following chart, the bars for program years 2000 and 2001 (fiscal years 2001 and 2002) show the entered employment rates for WIA with previous years showing JTPA activities.

Entered Employment Rates JTPA/WIA

Bar 1=Adults; Bar2 = Youth; Bar3 = Dislocated Workers



Workers' Compensation

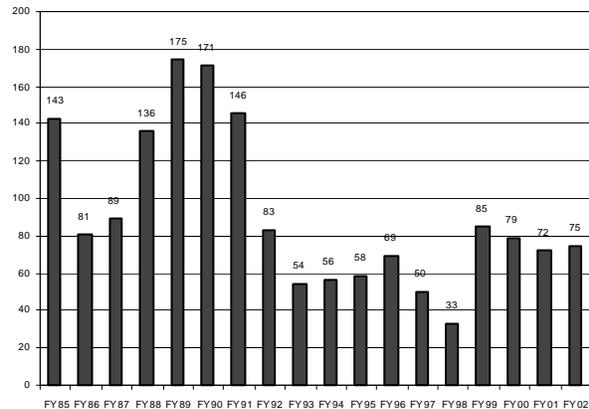
The Workers' Compensation Division was challenged by a series of budget cuts causing the loss of over one-third of its staff during the past two years, without any corresponding reduction in workload. A number of changes were made to eliminate unnecessary steps and streamline processes in an attempt to maintain essential services. Some functions were more adversely impacted than others.

The electronic data interchange (EDI) system continued to be refined to make it more useable and reliable with a goal of transforming it into a tool for enforcing compliance.

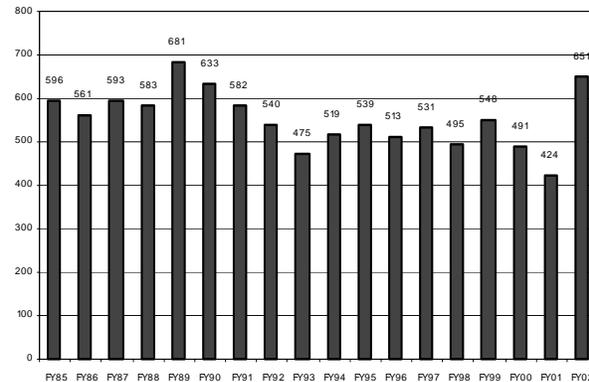
Compliance Administrators continued to disseminate information to callers and reviewed a record number of settlements for approval. Travel and speaking engagements where staff explain workers' compensation law to groups were curtailed. Efforts were instituted to revitalize the mediation program. The adjudication function was mildly impacted in most areas, but severely affected in others.

Agency staff produced the greatest number of hearings and decisions in the history of the agency, but the amount of time for the agency to adjudicate cases grew markedly.

Average Days From Hearing to Decision



Average Days From Petition to Decision



Compliance Results

IWD is complying with the governor's Executive Orders concerning administrative rules review. The department's review plans have been approved by the governor's office and are being implemented.

All federal monitoring and compliance reports received in fiscal year 2003 indicated Iowa Workforce Development is complying with all necessary laws and regulations governing the programs we administer.

Accomplishments by Division

Labor Services Division

Workplace Safety

Amusement Park/Ride Permits Issued, Inspections and Fees Generated:

Permits Issued 152

Inspections

Electrical 625

Mechanical-Electrical 2,358

TOTAL 2,983

Fees Generated

Permit Fees \$3,065

Inspection Fees \$71,188

TOTAL \$74,253

Personal Injury Reports 2

Discrimination Case Activity

	New Cases	Closed Cases
TOTAL	27	26

Note: Limited to discrimination allegations by an employee against an employer for exercising his or her right under the Iowa Occupational Safety and Health Act.

Education and Public Sector -Consultation Activities

Educational Seminars 105

Number in Attendance 5,749

Ten-Hour Classes Conducted 44

Number Trained 638

Consultations Conducted 22

Serious Hazards Identified 87

Other-Than-Serious Hazards Identified 33

Employees Covered 1,032

Private Sector Safety and Health - Consultation Activity

Consultations Conducted 339

Serious Hazards Identified 2,230

Other-Than-Serious Hazards Identified 444

Employees Covered 57,531

Asbestos Licensing and Permit Activity

Individual Licenses Issued 1,131
(contractor/supervisor, project designer, inspector/management planner, inspector, management planner, worker)

TOTAL Company Permits 63

Fees Collected

Individual Licenses \$41,340

Company Permits \$31,500

TOTAL \$72,840

Boiler Inspections and Fees Generated

(State and Insured Boilers)

	Inspections	Fees Generated
State Scheduled	4,381	\$154,703
Insured	18,675	\$280,060
TOTAL	23,056	\$434,763

Special Inspector Commissions

Number Granted 170

Fees Generated \$5,100

Facility Submissions Under the Emergency Planning and Community Right-to-Know Act, Section 312

Calendar Year 2001

Hazardous Chemical Forms 2,854

Total Hazardous Chemicals Reported 14,621

Facilities Submitting Electronically 1,172

Hazardous Chemical Locations Reported 26,636

Elevator Operating Permits Issued, Inspections Conducted and Fees Generated

Permits Issued 5,402

Inspections Conducted 4,989

Fees Generated \$362,426

Construction Contractor Registration—Registrations Issued, Fees Generated, and Penalties Collected for Cases Closed This Fiscal Year

Registrations Issued 7,107

Fees Generated \$169,925

Penalties Collected for Cases Closed \$19,400

Total Program Revenue \$189,325

Professional Athletic Licenses Issued and Revenues Collected

	Wrestling	Boxing	Tournaments	TOTAL
Licenses Issued	14	16	5	35
Revenues Collected				\$32,227

Distribution of Employment by Industry and Work-Related Deaths by Industry Calendar Year 2001

Industry	Number	Percent	Number	Percent
Total Private Sector	1,330,014	100.0	58	100.0
Agriculture, Forestry & Fish.	11,493	0.9	21	36.2
Mining	60,631	4.5	0	0.0
Construction	63,494	4.8	11	19.0
Manufacturing	241,100	18.1	4	6.9
Transportation & Public Utilities	66,624	5.0	11	19.0
Wholesale Trade	66,212	5.0	4	6.9
Retail Trade	191,869	14.4	4	6.9
Fin., Ins., Real Est. Services	94,328	7.1	0	0.0
Total Public Sector	534,263	40.2	3	5.0
	60,571	100.0	4	100.0

Work Related Employee Fatalities By Cause of Death (Calendar Year 2001)

Conditions Subject to IOSH/OSHA Inspections and Standards

Cause of Death	Number	Percent
Falls	8	13.0
Crushing Injuries	9	14.5
Struck By or Against an Object	7	11.3
Exposure to Harmful Substance	5	8.0
TOTAL	29	46.8

Conditions Not Subject to IOSH/OSHA Inspections and Standards

Cause of Death	Number	Percent
Vehicle Accident	30	48.4
Assaults & Violent Acts	3	53.2
TOTAL	32	100.0
GRAND TOTAL	62	

Occupational Safety and Health Bureau State Performance

Private Sector Inspections	846	96.7
Public Sector Inspections	29	3.3
Total Inspections Conducted	875	100.0
Safety Inspections	544	62.2
Health Inspections	331	37.8
Accident Inspections	13	1.5
Complaint Inspections	181	20.7
General Schedule Inspections	533	61.0
Follow-Up Inspections	11	1.3
Construction Inspections	183	44.0
Manufacturing Inspections	385	20.9
Other Industry Inspections	307	35.1
	Number	Percent
Serious Violations	1,097	64.8
Willful Violations	3	.2
Repeat Violations	34	2.0
Other Violations	558	32.9
Failure to Abate Violations	1	.006
Total Number of Violations	1,694	100.0

(Average of 2.8 violations per 100 employees covered by the inspections)

Serious Penalties Proposed	\$1,056,011
Average Penalty Per Violation	\$1,027
Willful Penalties Proposed	\$98,000
Average Penalty Per Violation	\$24,500
Repeat Penalties Proposed	\$184,050
Average Penalty Per Violation	\$7,362
Other Penalties Proposed	\$52,786
Average Penalty Per Violation	\$126
Failure to Abate Penalties Proposed	\$456,050
Average Penalty Per Violation	\$28,503
Total Penalties Proposed	\$1,846,897

Wage Collection Cases

Wage Claims Filed	1,448
Amount Collected	\$137,671
Lawsuits Filed	44

Policy and Information Division

The Policy and Information Division provides timely and accurate information on the Iowa labor market to a variety of users to enable them to make informed career, business and planning decisions. The division operates programs, in cooperation with the U.S. Bureau of Labor Statistics, which produce the basic employment, unemployment and wage information for Iowa and its counties.

The division met or exceeded all federal requirements for these programs. The Occupational Employment Statistics (OES) team again ranked in the top ten states nationally in terms of response rates for the 2001 survey. Response rates were well over 80%. The Bureau of Labor Statistics (BLS) requirement is 75%.

The division also is involved in projects with national scope:

*The Automated Current Employment Statistics (ACES) program is used to produce the monthly employment, wage and earnings information for state and metropolitan areas throughout the United States. Iowa staff developed this system and now support its use throughout the country. In tandem with this effort, Iowa staff also serve on the national Current Employment Statistics (CES) policy advisory council.

*Iowa has been a member of the America's Labor Market Information System (ALMIS) Database Consortium for over five years. Composed of several states, the consortium has worked with the federal Employment and Training Administration to set standards for all states for more efficient delivery of information. Recently, Iowa was selected to lead the consortium's efforts to procure an employer database to be used by all states in one-stop career centers for job search and related activities.

*The division continues to work closely with the Institute for Decision Making (IDM) at the University of Northern Iowa in process and quality improvement of laborshed studies. During this past year, a

workforce model was developed and unveiled as a methodological improvement in estimating the total potential workforce. The model uses logistic regression based on covariates drawn from survey data to estimate the theoretical probability of persons accepting or changing employment to determine the total potential labor force.

The Workforce Research Bureau's Research and Development Team conducted 14 laborshed studies across the state. Collection of statewide laborshed data is nearly complete. The goal for the next fiscal year is to update laborshed data collected in 2000 or earlier and to expand analysis work with clusters. Laborshed follow-up marketing services have been used extensively by the local community economic developers as a focused effort to grow local business and recruit new prospects. Iowa employers are using this specialized survey to make business growth decisions.

*The division continues its efforts towards supporting communities and businesses by becoming members of the Professional Developers of Iowa (PDI). Through this membership, the Research and Development Team made over 30 community contacts regarding laborsheds, of which 18 communities have had or have agreed to have a study performed in FY02 or FY03.

*The Employment Statistics Bureau has completed the conversion of all databases from the widely used Standard Industrial Classification System (SIC) to the new North American Industrial Classification System (NAICS). These classifications form the basis for critical work done by businesses, policymakers, economic developers, and academic researchers.

*IWD is charged with overseeing the state's customer tracking system to help participating public organizations measure the impact of placement, education, training, and other services. Currently, eight state agencies/divisions and two states are consistently using this data system to track the effectiveness of their programs and apply for additional funding in the form of federal financial bonuses and/or grants.

*The division evaluates the ability of the Unemployment Insurance (UI) Trust Fund to pay future UI

"We have utilized the laborshed analysis as a key component of our retention and expansion program. Employers appreciate us being able to sit down one-on-one with them to discuss current and future employment needs. In addition, CEDC has utilized the information to market the available labor force to potential new employers. Both initiatives have been very successful, thus we conclude that the IWD work is quite valuable in our overall economic development efforts."

Rick Allely, Executive Director
Clarinda Economic Development Corp. (CEDC)

"We are extremely pleased with the results of our laborshed study, and the professionalism and degree of responsiveness we received from you and your staff at Iowa Workforce Development. Now that we have this instrument at our fingertips, it would be hard to retro back to the days of the 'old' workforce studies. The power of the laborshed becomes apparent by the fact that data can be 'customized' for specific industries, e.g. financial services, metal fabrication, etc. Recently we requested laborshed data for a prospect in the financial service industry. They were quite impressed and commented that nothing like this is available in other areas they are researching"

Steve Ames, Project Manager
Quad City Development Group

benefits under various economic assumptions and determines if the fund balance is sufficient to continue to pay benefits through an economic downturn. Staff members also determine the financial impact of proposed changes in Iowa's unemployment compensation system and study how these changes affect employers and claimants. Staff also conduct special research projects concerning unemployment insurance related topics.

*The division prepares several unemployment insurance reports that are used to meet federal workload reporting requirements, determine triggers for special programs, and describe the size and scope of the unemployment insurance program on local economies. Some reports are carried by national news media and are considered important economic indicators.

*The division conducted a variety of activities to disseminate the information it produces and educate Iowans about how they can make use of it:

- There were more than 1,000 customer contacts. This included people receiving training in using labor market information, presentations for specific users and presentations to the Regional Workforce Investment Boards. Customers included secondary-level school students and teachers, IWD staff, Employers Councils of Iowa, School-to-Work Alternative seminar, Vocational Rehabilitation staff, and local economic development groups.
- The LMI Bureau and Employment Statistics Bureau received approximately 40 requests per month via the Internet. Requests are typically for career information, wage data, top employers in Iowa or a specific publication.
- Approximately 150 IWD field staff and partners attended classroom training on labor market information products and services in four regions.
- More than 90 publications were produced. Staff developed the "Business Resource Guide to Smart Workforce Decisions" publication that provides a brief overview of labor market information products

and services accompanied by contact information to assist businesses in making business growth decisions.

- A wide variety of information about the labor market is now readily available on the Iowa Workforce Development Web site. The LMI home page was recently redesigned to facilitate navigation of the site. Information available includes publications, the interactive Iowa Workforce Information Network (IWIN), news releases on the monthly unemployment rate, employment and wages covered by unemployment insurance (including county-level data), prevailing wages surveys, affirmative action data, labor force summaries, Iowa Job Outlooks, layoffs, and licensed occupations.
- The Policy and Information Division hosts the Iowa Economy News and Trends Web site that gives key indicators of economic health and trends in the state. Indicators include housing sales, motor vehicle sales, projected income, business patterns, gross state product, exports, farmland values, city costs, poverty rates, and more.
- Approximately 500 people were trained in courses that focused on using labor market information in the classroom and for making career decisions.
- Staff updated a labor market information business E-card, a mini-CD-ROM based directory of labor market products, services, and contacts. The colorful, Web-interactive E-card replaces the printed directory at a lower cost. An electronic version is also available on the IWD Web site.
- The division supports the department's and the state's strategic planning initiatives by providing data and staff support.

Workers' Compensation Division

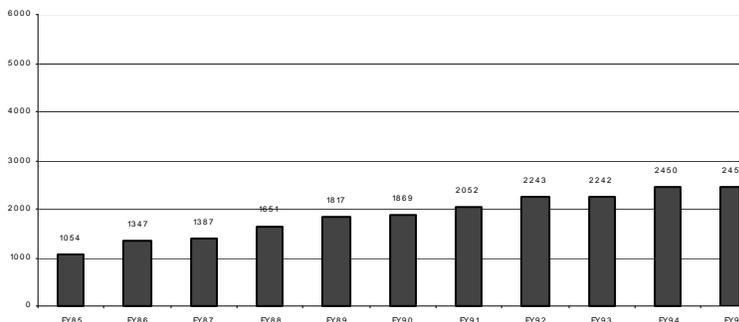
During fiscal year 2002, 23,587 first reports of injury were filed with the agency. Injured workers filed 5,107 petitions seeking benefits, a decrease of 32 from fiscal year 2001. The division conducted 822 contested case hearings and issued 791 decisions at the hearing/deputy level, the most in the history of the agency. The average time from the date a petition seeking benefits was filed until the date the hearing/deputy level decision was issued increased to 651 days

from 424 days. All but three days of the increase was in the time from petition to hearing. The number of pending contested cases grew from 6,573 to 6,579 at the hearing/deputy level. The number of pending cases on appeal before the commissioner fell from 202 to 186. The number of mediation conferences held fell to 298 from 757. The four compliance administrators handled provided assistance through 17,859 calls and e-mails and reviewed 4,982 settlements, the most in the agency's history. Staff gave presentations on workers' compensation laws at 4 meetings and conferences.

Workers' Compensation Hearing Held

Workers' Compensation Decisions Issued

Workers' Compensation Settlements Made



Annual Adjudication Comparison

FY	Injuries	Petitions	Hearings	Decisions	Appeals
85	29181	2353	359	467	285
86	28243	2476	334	361	231
87	28930	2400	352	289	161
88	32342	2720	408	308	179
89	32061	2375	463	441	227
90	31971	2721	467	470	307
91	34081	3052	564	636	362
92	32211	3275	530	589	327
93	31363	3444	434	455	193
94	26706	3433	703	585	277
95	33054	3821	653	712	357
96	28567	4155	691	680	312
97	32059	4035	682	698	340
98	30670	3956	682	648	336
99	27080	4523	637	601	379
00	29133	4583	628	534	390
01	28957	5139	757	768	438
02	23587	5107	822	791	368

Workforce Development Center Administration Division

The Impact of the Economy on Division Activities

Because the activities of the Workforce development Center Administration Division relate directly to the needs of Iowa’s businesses and job seekers, the status of the State’s economy generally dictates the volume and type of services that the Division provides to its customers. Services are provided to businesses, to job seekers, people who are employed, and to people who become unemployed. Therefore, the needs of the customers determine the types of service to be provided.

Even during this difficult period, however, there were bright spots in Iowa’s economy. While pockets of high unemployment were experienced in some regions of the State, Iowa’s average unemployment

rate remained at a low 3.3% in 2001, well below the average for the United States, and much lower than the rates experienced in previous recessions. At the same time, the highest number of workers in the labor force in the entire history of the state, 1,543,300, were employed in December 2001. All of these factors indicated a sustained demand for workers despite the recession, while at the same time increasing the need for services to workers who were impacted by job dislocations.

But on a much broader scale than over a single year, and projecting for the future, the Iowa economy faces a significant challenge. As the results of the decennial U.S. Census are released, Iowa is seeing confirmation of other trends that have been of concern for some time. It is clear that the State’s potential for economic growth is increasingly constrained by serious worker shortages, particularly in those industries and occupations that demand high

skills, earn high income, and do the most to grow the economy. Out-migration during the devastating recession of the 1980s and slow population growth since, compounded by an aging citizenry and slow birth rates, all contribute to these shortages. For most of the post-World War II era, a rapidly growing population and workforce made the demand side of the labor market equation the compelling force. Now, and for decades to come, labor force supply issues will be at least as important to the economic prosperity of the State.

Goals

Given this economic environment, the two broad goals Iowa's Workforce Development Investment Board established in its original strategic plan in 1997 continue to be critically relevant. These goals are:

1. Increase the size of the skilled workforce, and
2. Increase Iowans' earned income.

The economic and demographic forces evident since their establishment have proven these goals to be precisely on target, and they continue to provide critical guidance to the activities of the Workforce Development Center Administration Division.

A Year of Growth

Last year, the work of this Division can be characterized as a year of transition due to implementation of the workforce development system under the Workforce Investment Act (WIA). This year's activities can be better described as a year of growth for that system. The employment and training providers in the State, and especially the programs operated by and through Iowa Workforce Development, continue to fashion the partnership. After an initial year of operation that focused on understanding the new law and implementing new processes and procedures, the concept of regionally based services to Iowa's business and workforce has become a reality.

The partnership of the employment and training system is growing through the efforts of IWD and the oversight of the State Workforce Development Board. While it would be inaccurate to state that the full partnership envisioned by the WIA legislation has been achieved, it can be clearly demonstrated that the improved coordination of services within the employment and training system are operating effectively, and that the State's businesses and workforce are benefiting from it.

Iowa has sixteen (16) service delivery regions, each

with a Regional Workforce Investment Board (RWIB), a Youth Advisory Council (YAC), and at least one locally designated Workforce Development Center. All of Iowa Workforce Development's programs and services may be accessed through these centers. In addition, satellite offices are established throughout each region, offering primary services and programs, in order to increase accessibility for our customers. Direction for program operation comes from both State and regional levels, through State administration, the RWIBs, the YACs, and local managers.

The Workforce Development Centers are designed to move all partners in the system beyond the customary coordination of programs and services into an integrated network. This network provides improved counseling, job search assistance, and career and labor market information to Iowa's workforce, and better information and job referral systems to Iowa's businesses. The bottom-line goal is to improve the size and skills of Iowa's workforce, thereby realizing significant increases in employment earnings and retention for workers, and a skilled and dependable workforce for our economy.

As we evaluate the progress of our Workforce Development Centers and our programs in fiscal year 02, there are two areas of growth that warrant particular mention. The first of these is:

Growth in Partnership

In fiscal year 2002, the philosophy of collaboration gave way to the reality and success of partnerships as Workforce Development Centers expanded their services and pulled together in response to the needs of their communities. Shared service and co-enrollment of participants created win-win opportunities for both program operators and job seekers. This growth in the employment and training partnership can best be demonstrated by a couple of examples, one of which focuses on assistance to business and job seekers with new job opportunities, and another situation that involves the working partnership when jobs are lost.

Family Dollar Stores announced that they would establish a major distribution center in Maquoketa, Iowa, that would employ 500 workers at an average of over \$10 per hour. For this small Iowa community of 6,000 residents, and for the employment and training system, this announcement signaled both a major opportunity and a major challenge. The partnership of employment and training providers in the region pulled together to meet this challenge. The

Iowa Workforce Development and WIA office in the community established referral and application procedures for all of the 3,000 job applicants. Special arrangements were made for obtaining assessment surveys and conducting interviews. IWD, WIA, and the regional partnership of agencies joined with the local community college, regional transit authorities and local government to address issues of referral and application, support services, housing, and transportation. Local and regional economic development interests used the broadened capacity of the partnership throughout this success story. And finally, the employment and training system cushioned the impact of the new employer on other area business that lost employees to the new center by working just as hard to assist them in replacing their workforce.

The partnership also works at a time when jobs are lost. The Sioux Tools Company announced in August 2001 that it was ceasing operations at its Sioux City, Iowa, plant and 162 workers would be dislocated. As is typical in such situations, the State Rapid Response effort was initiated immediately, and multiple service partners at the regional level were engaged to react to this situation. Meetings with business and worker representatives and members of the partnership were held to assess needs and develop an action plan, and employee meetings were held to apprise workers of the services that were available. State funds were immediately made available to provide initial services to the workers, and to begin gathering the data necessary to develop an application for a National Emergency Grant. That application sought \$297,550 to provide services to the Sioux Tools workers and dislocated workers from Terex-Schaeff, Inc., another Sioux City plant that had reduced its labor force. Members of the partnership, the two businesses, local government, and elected officials supported the grant application and Federal funding was secured on behalf of these workers.

The other notable area of growth in SFY 02 is represented by:

Growth in Services

As noted above, the economic conditions of the State dictated that the Division focus efforts on increasing the size of the workforce, and ensure that services were provided to dislocated workers impacted by the recession. New initiatives were developed and implemented to address these needs. These projects and services include:

- 6 A state-funded New Employment Opportunities Fund that establishes pilot sites to test creative approaches for bringing hard-to-serve groups into the active labor force. Projects have been initiated that serve individuals with disabilities, ex-offenders, minority youth, and non-English speaking populations.
- New Iowans Centers in several one-stop sites to ease the transition of immigrants into Iowa's economy.
- 6 The Iowa Advantage Program, designed to provide dislocated workers with quick and effective services to begin their individual re-employment plan. The program offers a series of workshops that provide job seeking/keeping skills, résumé writing, career counseling, labor market information, budgeting, and merely surviving the layoff.
- 6 Continued efforts to support youth development, including close coordination with educators to infuse career development and work-based learning into Iowa's school improvement initiatives.
- 6 Integration of programs into the workforce development system that are designed to serve recipients of welfare benefits, especially the PROMISE JOBS and Welfare-to-Work programs.
- 6 Growth in partnerships with other agencies and programs serving individuals with disabilities, especially through consistent coordination of several federal grants designed to improve services to that population and bring systemic change to how such services are delivered.
- 6 Greater outreach and effort to work directly with businesses in order to determine and provide for their services needs. This initiative includes the designation of Business Service Representatives in each region, as well as expanding and promoting business advisory groups, and soliciting direct input from employers.

Future Strategies and Measures

The nature of employment and training services does not lend itself to concise periods of operation and evaluation, such as a fiscal year. The issues and initiatives in this environment flow seamlessly from one year to the next, with change and growth patterns emerging subtly in response to economic impacts.

Therefore, the Division anticipates that the service needs that occurred in fiscal year 2002 will continue into the next year, demanding that efforts be continued on behalf of dislocated workers and special populations, as well as improved coordination of service with business needs. For that reason, strategic planning strategies relating to the Division operation are as follows:

- ◆6 Expand and enhance outreach efforts to our business customers in order to focus more clearly on business needs and how IWD can address them.
- ◆6 Continue to promote and recognize the growth of the one-stop delivery system in our Workforce Development Centers through building partnerships and improving employment and training services.
- ◆6 Provide specialized services and projects for segments of the population that are under-represented in the workforce.
- ◆6 Establish a skills-based, electronic job matching system to improve access and service to job seekers and businesses.

Unemployment Insurance Division

Filing Initial Unemployment Insurance Claims Online

Beginning in 2001, jobless Iowans were able to apply for unemployment insurance benefits by entering their claims via the Internet, using a personal computer. This self-service, online process is available 24 hours a day, seven days a week at www.iowaworkforce.org.

Claims filed online are processed more quickly, saving time for both the claimants and Iowa Workforce Development. Applying for benefits online from home provides privacy to those people who may be uncomfortable talking to someone about being unemployed or who are apprehensive about walking into a Workforce Center to file a claim. It also saves on the time and expense of having to travel to the nearest Center to file the claim.

For those who may choose not to go online, Workforce Development Centers hold group claim filing sessions and take claims individually. Iowans also have the option of calling the Unemployment

Insurance Service Center to file their claim, Monday through Friday, 8 a.m. to 4 p.m., Central Time. Outside the Des Moines area, call (877) 891-5344; in Des Moines, call 281-4199.

Employer-Filed UI Claims

Employers can now transmit information for laid-off workers to Iowa Workforce Development via electronic methods. The information is entered into IWD's computer system for each individual to file the new or additional unemployment claim.

This enables employers to better assist non-English speaking employees with claim filing procedures; designate immediate release of benefit payments; and indicate those employees receiving holiday pay or wages during the first week of the claim. It also saves the employee from having to file their claim in person, and speeds the processing of the claims.

Unemployment Insurance Tax Redesign

The division continues to work on a project begun in 2001 to redesign the current unemployment insurance tax system. A tax redesign team was formed to implement this project. They have been working with the Information Technology Service Center to complete the business process re-engineering. A meeting was held with an employer focus group to seek input on customer needs. The group strongly supported the automation of the existing tax system.

Features of a redesigned system will:

- Allow employers to file reports and pay taxes electronically;
- Facilitate real-time changes and corrections to update wage records automatically;
- Eliminate duplicate entries for employers and IWD;
- Allow employers to access and update information about their accounts over the Internet; and
- Create opportunities for IWD staff to provide additional technical assistance to employers.

Financial Reports

for Fiscal Year 2002

(July 1, 2001 - June 30, 2002)

Beginning Cash Balances

Penalty and Interest Funds	743,442.82
Trade Expansion Act Benefit Funds	1,653.80
WDC Major Program Funds.....	1,000.00
WDC Other Funds	445,116.33
Iowa Corp Earned Tuition.....	198,768.08
Admin. Contribution Surcharge Funds	1,528,443.07
Amateur Boxing Funds	79,622.73
Food Stamp Allowance Funds	8,350.00
Disaster Unemployment Benefits Funds	314.00
Wage Payment Collection Funds	134.00
	3,006,844.83

Plus Revenues

General Fund Appropriations.....	5,792,891.00
General Fund Appropriations Carried Forward	1,312,403.78
Other Appropriations	30,000.00
Federal Support	62,167,139.40
Intra State Transfers	15,860,049.27
Taxes Collected	7,358,693.39
Refunds and Reimbursements.....	279,342.79
Interest	168,430.65
Fees Licenses & Permits	60,897.17
Local Governments	74,764.20
Other	19,986.85
	93,124,598.50

Minus Expenditures

Personal Services	43,844,410.57
Travel & Subsistence	757,605.54
Supplies & Materials.....	932,748.03
Contractual Services	38,627,360.57
Equipment & Repairs	2,718,570.03
Claims & Miscellaneous.....	3,394,986.50
Licenses, Permits & Refunds	51,570.62
State Aids & Credits.....	2,119,688.01
	92,446,939.87

Minus Reversions

General Fund Reversions	614,863.15
Other Reversions	9,189.23
	624,052.38

Equals Ending Cash Balance

3,060,451.08

Ending Cash Balances by Fund

Penalty and Interest Funds	1,229,635.77
Trade Expansion Act Benefit Funds	442.45
WDC Major Program Funds.....	1,050.00
WDC Other Funds	766,180.50
Iowa Corp Earned Tuition.....	191,436.93
Admin. Contribution Surcharge Funds	819,474.81
Amateur Boxing Funds	50,474.62
Food Stamp Allowance Funds	0.00
Disaster Unemployment Benefits Funds	1,342.00
Wage Payment Collection Funds	414.00
Total	3,060,451.08

Program**Expenditures**

Unemployment Insurance	20,897,835.07
Temporary Assistance for Needy Families (TANF - PROMISE JOBS).....	14,488,422.84
Workforce Investment Act (WIA)	14,224,172.71
Employment Services.....	8,259,066.05
Admin. Contribution Surcharge.....	7,355,320.61
OSHA Enforcement/Consultation.....	3,922,246.06
Welfare- to-Work Grants	3,788,189.81
Job Training Partnership Act (JTPA).....	3,019,783.11
Trade Adjustment Assistance - TAA & NAFTA	2,968,092.18
Workers' Compensation	2,643,176.83
Labor Services Division 100% State Funded Programs	1,382,542.62
Labor Force Statistics.....	1,850,576.19
Disaster Unemployment Assistance (DUA).....	1,760,624.98
Local Veterans' Employment Program (LVER)	1,290,088.93
Reed Act ICN.....	899,427.47
Disabled Veterans' Outreach Program (DVOP)	879,482.84
Food Stamps Administrative Grants	494,130.85
Penalty and Interest Funds	430,512.52
New Employment Opportunities	416,895.55
One Stop Career Center Initiative	410,245.21
Reemployment Services	282,832.83
Social Security Administration	156,813.12
Work Keys	84,318.36
Athletic Commission.....	63,004.00
Labor Certification for Alien Workers	58,222.37
Child Support Enforcement	57,935.96
Rural County Estimates General Fund Approp.	57,828.34
Workforce Board General Fund Approp.	50,673.11
Laborshed	48,137.00
Juvenile Justice	41,101.05
Athletic Commission Clearing Account	36,662.76
North Carolina ALMIS.....	29,238.03
Northern Iowa Area Community College	28,836.02
Labor Management	20,810.77
Food Stamps Allowances	18,749.87
Wage Payment Collections	3,849.42
Other	27,094.43
TOTAL EXPENDITURES	92,446,939.87



Putting Iowa to Work



**Iowa Workforce Development
1000 East Grand Avenue
Des Moines, Iowa 50319**

Auxiliary aids and services are available upon request to individuals with disabilities.
Equal Opportunity Employer



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