

2015 Workforce Policy Agenda

Building on Smart Investments in Iowa's Workforce and Industries

Iowa Skills2Compete Coalition





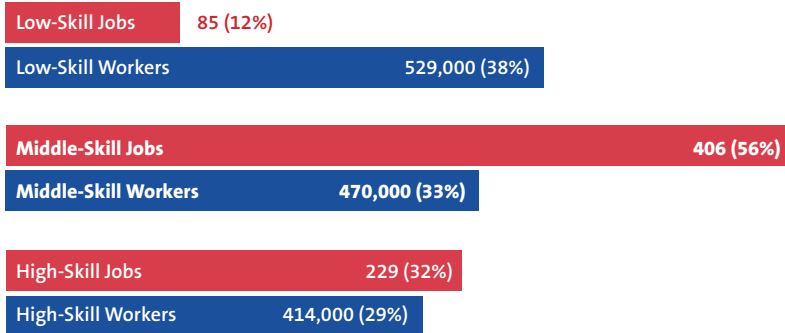
Introduction

Sustaining Iowa's Career Pathways and Credential Data Collection Efforts

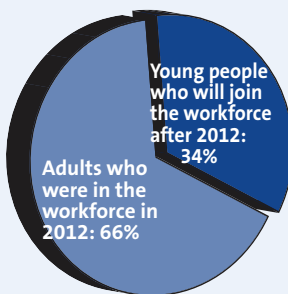
Iowa is back. Companies are hiring again. People are getting back to work. The state unemployment rate is among the lowest in the country. But the state's skills gap persists.

Middle-skill jobs already make up the majority of the jobs in Iowa's labor market. Yet, only 33 percent of working Iowans likely have the skills and credentials for these types of jobs.

Iowa's Jobs by Skill Level, 2014¹



Iowa's 2025 Workforce²



The majority of Iowa's workforce in the year 2025 will have already been working since 2012. Adults must be part of the state's education and workforce training strategies.

Governor Branstad and state policymakers have taken significant steps to ensure that as employers bring on new workers, the talent is there. Since 2013, state investments of \$30.6 million are now supporting adult basic education, Pathways for Academic Career and Employment (PACE) programs, pathway navigators to assist students in PACE programs, apprenticeships, gap tuition assistance, industry sector boards, and the Workforce Training and Economic Development Fund. Moreover, the Department of Human Services is taking action to participate more fully in the federal Supplemental Nutrition Assistance Program—Employment and Training (SNAP E&T) “50-50” program. The federal program reimburses states up to 50 percent for expenses associated with providing supportive services to food stamp recipients enrolled in education and training.



Implementing the Workforce Innovation and Opportunity Act

Last summer Congress passed reauthorizing legislation, the Workforce Innovation and Opportunity Act (WIOA), for the nation's workforce development system. The new law triggers some changes in how states administer the programs associated with the law. Thanks to the leadership of the Governor and state legislature, Iowa is already moving in the direction that WIOA is pushing all states. In fact, WIOA's emphasis on sector partnerships, career pathways, and enhanced data collection validates the funding and policy decisions state leaders have already taken. Ongoing state investments in career pathways, industry sector partnerships, apprenticeships, and data collection as well as maintaining the current workforce service regions gives Iowa a real chance at ensuring that every worker or employer seeking help—whether at a community college, IowaWORKS virtual access point, on the job, or in a public benefits office, will be connected to these skill-building opportunities.

New Federal Workforce Law Embraces Sector Partnerships, Career Pathways, and Enhanced Data Collection

Sector partnerships, career pathways, and enhanced data collection figure prominently in the Workforce Innovation and Opportunity Act (WIOA). In regard to sector partnerships, local workforce boards must use adult and dislocated worker funds to implement sector partnerships. For career pathways, the state WIOA plan must describe a strategy for how relevant state agencies will collaborative to align the workforce, adult education, employment services, and vocational rehabilitation programs under the law to build career pathways. And in the area of data collection, WIOA asks states to describe how they will assess the overall effectiveness of its workforce investment system, including the progress of participants that exit from core programs, enter, persist, and complete postsecondary education, as well as secure or retain employment. While states must ensure WIOA's new performance measures track state and local workforce development activity, states are free to use these performance measures for other skills-building programs to foster even greater coordination and alignment across state agencies and service regions.³





2015 Workforce Policy Agenda

Given the direction that federal workforce policy is moving, the growing complexity of serving workers with multiple barriers to employment, and a greater awareness that moving more people out of poverty requires improving the incremental credential attainment among these workers, the Iowa Skills2Compete Coalition offers these policy recommendations for the 2015 state legislative session:

1. Maintain investments in adult basic education, PACE programs, pathway navigators, industry sector partnerships and gap tuition assistance at the level of \$12.5 million and ensure these opportunities are available in each of the state's 15 service regions.
2. Continue support of the Education Outcomes Initiative at the level of \$200,000.
3. Provide \$1.5 million to fund adult basic education teachers and vocational training instructors for programs associated with in-demand industry sectors in correctional facilities.
4. Appropriate \$1 million for Iowans in need of reliable transportation to maintain employment or complete education and training programs through the Iowa Employment Rides Initiative.
5. Implement a new co-pay structure for child care assistance so that working parents needing child care assistance are not penalized for realizing success in the labor market. Expand eligibility for families accessing child care assistance.
6. Create the Iowa Health Workforce Center by appropriating \$943,900 to fund the center's work in developing better statewide training and industry standards for the state's direct care workforce.



Recommendation 1

Maintain investments in adult basic education, PACE programs, pathway navigators, industry sector partnerships and gap tuition assistance at the level of \$12.5 million and ensure these opportunities are available in each of the state's 15 service regions.

Investing in career pathways is already having an impact on helping students earn skilled credentials and secure gainful employment. According to the 2013 Condition of Iowa's Community Colleges report, 55.9 percent of adult basic education students continued on to postsecondary education after completing basic education classes, 77.2 percent of these students who intended to enter the workforce did so, and 84.7 percent of this group retained employment.⁴ Among the 1,631 students who received gap tuition assistance, 500 third party were awarded.⁵

Program	Numbers Served FY14	Notable Impact
Gap tuition assistance ⁶	3,279 students applied and 1,631 awarded tuition assistance	68% of students secured employment after using tuition assistance to complete an education program
Adult Education & Literacy Program ⁷	22,217 students enrolled	29% increase of students completing programs between FY13 and FY14
Pathways for Academic, Career, and Employment Program (PACE) ⁸	3,355 students applied for tuition assistance to cover the PACE program 2,311 students approved and accepted into the PACE program	66% overall employment rate among students completing the PACE program in FY14.
Industry Sector Boards ⁹	23 sector boards (with 9 additional sector boards in development), representing 275 employers	Created education and training pathways for seven industries: advanced manufacturing, healthcare, IT, transportation and logistics, agriculture/biotechnology, financial services, and energy

With continued state support of these efforts, more Iowans can work towards economic security and self-sufficiency that training and earning skilled credentials helps to provide. In turn, employers can rely on a dependable pool of ready to hire workers.

Success Stories

SILINA

Silina is a single mother of two, who struggled to make ends meet on a \$9.25/hour salary as a hair stylist. She entered PACE (Pathways for Academic Career Education and Employment) in 2012 and improved her literacy, earned a certificate in CPR and completed nursing assistant certificate (CNA) training. She continued on the educational path and currently holds a one year diploma in Medical Assisting. Silina now earns \$13/hour working as a certified medical assistant at a family medicine practice. She plans to complete the one class remaining to earn an associate's degree.

LLUVIA

Lluvia is a 34-year-old wife and mother of four who cares for her elderly father. She learned to speak English, and then in 2013 received her high school equivalency diploma. Lluvia headed down the healthcare path. She earned her nursing assistant certificate CNA and began medical code training in August 2013.

Iowa must have accurate job and wage data to ensure skill-building investments match market demand. The Education Outcomes Initiative database captures all possible data available to make wise decisions about public investments in skills training and education.

Recommendation 2

Continue support of the Education Outcomes Initiative at the level of \$200,000.

Funding provided in the 2014 state budget ensures that the Iowa Education Outcomes Initiative measures to what extent public investments in skill building helps Iowans earn the right credentials for today's labor market and close persistent skills gaps. This data is invaluable as it reassures state leaders that public investments education and training are job-driven, meaning that they give workers the necessary credentials to secure employment.

Through the initiative, the Department of Education , in collaboration with Regional Research and Analysis Bureau of Iowa Workforce Development and other stakeholders, are now tracking attained middle-skill credentials, such as associate degrees, occupational certificates or industry certificates, as well as job placement data through programs such as: the Workforce Investment Act (WIA), Temporary Assistance for Needy Families (TANF), Vocational Rehabilitation, Carl D. Perkins Act, and Adult Basic Education (ABE); and through community-based organizations, labor-management training partnerships, private career schools, state-funded workforce and training, and apprenticeship programs. With additional support, data on credential attainment can be linked to labor market analyses to assess how well public investments are helping industries fill job openings. And once a few cycles of data collection are completed, research can allow better understanding of the labor market advancement and wage gains of credential earners. For such a minor investment of public resources, Iowa's policymakers will be able to make more informed decisions on how to invest public resources in meeting industry demand for skilled workers.



Recommendation 3

Provide \$1.5 million to fund adult basic education teachers and vocational training instructors for programs associated with in-demand industry sectors in correctional facilities.

Studies conducted by the Iowa Department of Corrections show that obtain a high school equivalency certificate has a positive impact on bringing down Iowa's recidivism by as much as ten percentage points and ready for employment upon parole or release.¹⁰ What's more, benefits to Iowa minus costs calculations shows that vocational programs in prisons average \$6,095 in benefits to Iowa above costs per participant.¹¹



Recidivism decreases by up to 24% when interventions such as high school equivalency completion, vocational education and soft skills training are implemented in prison. For every tax dollar spent on correctional education, there is a nearly 300% return on investment. There is a 400% return on investment for vocational education.

20% of inmates in Iowa (about 1716) are in need of a high school equivalency diploma or equivalency certificate.¹²

Recommendation 4

Appropriate \$1 million for Iowans in need of reliable transportation to maintain employment or complete education and training programs through the Iowa Employment Rides Initiative.

With an appropriation of \$1 million to the Iowa Employment Rides Initiative in the fiscal year 2015 budget, adult workers in both urban and rural communities would benefit from improved access points to transportation. The initiative would expand existing transportation services, subsidize low-income riders, and create ride share programs, among other allowable strategies. Local communities can leverage their own resources with state funding to make these options possible. Ultimately, this effort would alleviate a significant barrier to employment and enrollment in education and training programs—lack of reliable transportation.

23% of Iowa's working families cannot meet their basic needs.

(Source: Iowa Policy Project, 2014)

Recommendation 5

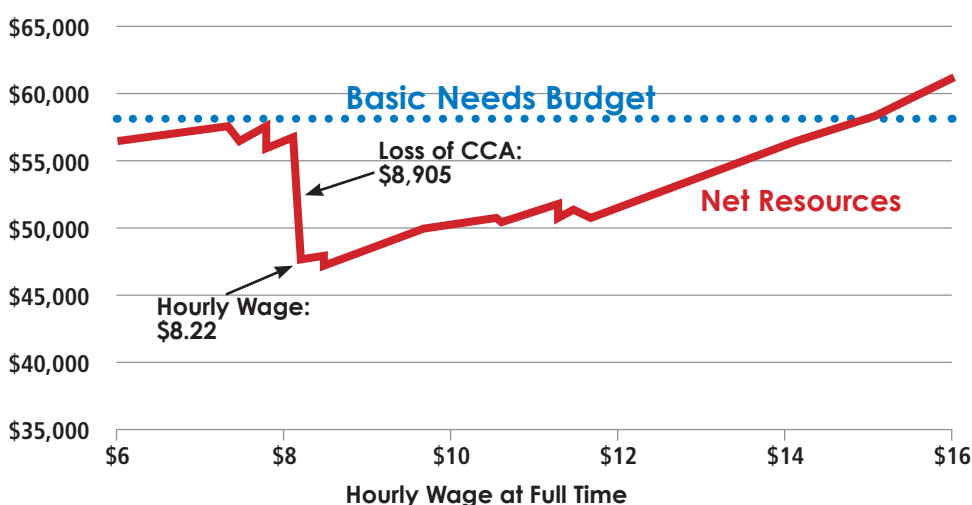
Implement a new co-pay structure for child care assistance so that working parents needing child care assistance are not penalized for realizing success in the labor market. Expand eligibility for families accessing child care assistance.

A critical need for Iowa's working parents is affordable and accessible child care. The need is particularly great in Iowa, which ranks second in the nation in the percent of children (74 percent) under the age six with all parents in the labor force.¹³

When a household increases in income, even slightly, work supports may be lost, resulting in a net loss of resources. Child care provides a prime example of this cliff effect. Iowa's Child Care Assistance benefits abruptly disappear at 145 percent of the federal poverty level, causing the family (no longer considered living in poverty) to lose thousands in resources needed to cover a basic budget. This causes a disincentive to work additional hours or aim for a higher paying job which in turn can decrease availability of middle skill workers and quality employees for Iowa's employers.

The Child Care Assistance (CCA) Cliff Effect: How Net Resources Change as Earnings Increase, Statewide Average

Married Couple (Both Working) with Two Children



Source: Iowa Policy Project, *The Cost of Living in Iowa*, 2014

Iowa has flexibility to create a new model of state child care assistance that works for families. In fact, under the new Child Care Development Block Grant federal law, states *must* address the cliff effect. Several other states have instituted or are currently creating policy changes to address this problem. One solution is to increase the co-pay that families pay for state child care assistance, where the co-pay increases as the salary increases. The State will also need to increase eligibility for families in order to address the cliff effect—raising up to 200% of the federal poverty level is ideal. Raising eligibility to 200% percent of poverty while adopting a modified co-pay schedule would cost the state less money than raising eligibility to 200% percent of poverty with no change in the co-pay schedule.



Recommendation 6

Create the Iowa Health Workforce Center by appropriating \$943,900 to fund the center's work in developing better statewide training and industry standards for the state's direct care workforce.

In many of Iowan families most vulnerable moments, direct care workers are there, providing physical and emotional support. And yet industry standards and compensation of these workers do not reflect their critical roles. Investing in the Iowa Health Workforce Center for a total of \$943,900 would help support the direct care workforce to work toward better statewide training and standards. The field of direct care workers needs to be professionalized. Furthermore, the patients, older Iowans, and people with disabilities needing the services of a direct care worker deserve the help of a professional, highly-trained worker. This Center would: help to better educate and train the direct care workforce through scholarships, help with curriculum for training, expand mentoring of workers, continue data collection and evaluation of these programs.

Moving Iowa Forward

Governor Branstad and the state legislature have taken some game changing steps to ensure more workers and industries have a role in Iowa's economic rebound and restored prosperity. By embracing the 2015 Workforce Policy Agenda of the Iowa Skills2Compete Coalition, this work can continue making an impact. Tracking skill and credential attainment and in due time, their impacts on job openings and wage gains can move forward. More adults can graduate from education and training programs because of better transportation and child care options in place. Incarcerated persons willing to work for a second chance can finally get one. And direct care workers—pillars of emotional and physical support for the most vulnerable—can finally get the economic security they have long earned through their work.



Endnotes

- 1 Iowa Workforce Development.
- 2 Ibid.
- 3 National Skills Coalition. *Realizing Innovation and Opportunity in WIOA: A Playbook for Effective State Plans*. Available at: <http://www.nationalskillscoalition.org/resources/publications/file/2014-11-NSC-WIOA-state-report.pdf>. (Washington DC, 2014).
- 4 Iowa Department of Education. *2013 Condition of Iowa's Community Colleges*. Available at: <https://www.educateiowa.gov/document-type/condition-community-colleges>. (Des Moines, 2014).
- 5 Iowa Department of Education, Division of Community Colleges. *Gap Tuition Program: Fiscal Year 2014 Report*. Available at: <https://www.legis.iowa.gov/docs/publications/IH/23043.pdf>. (Des Moines, 2014).
- 6 Ibid.
- 7 Iowa Department of Education. *2013 Condition of Iowa's Community Colleges*. Available at: <https://www.educateiowa.gov/document-type/condition-community-colleges>. (Des Moines, 2014).
- 8 Ibid.
- 9 Iowa Association of Community College Trustees, *PACE: The Crossroad to Economic Success* (Des Moines, 2014).
- 10 Prell, Lettie and Curt Smith. *GED's Receive "A" Grade in Reducing Recidivism*. Iowa Department of Corrections. Available at: www.doc.state.ia.us/Research/ORI_2013JanGEDsImpactonRecidivism.pdf (Des Moines, 2013)
- 11 Iowa Department of Corrections. *Return on Investment: Evidence-Based Options to Improve Outcomes*. Available at: www.doc.state.ia.us/Research/DOC_HandoutROI_OffenderPrograms.pdf. (Des Moines, 2012).
- 12 Iowa Department of Corrections; *Return on Investment Report: Evidence-Based Options to Improve Outcomes*, May 2012.
- 13 Annie E. Casey Foundation. *Kids Count Data Center*. Available at: <http://datacenter.kidscount.org/>. (Baltimore, 2012).





Acknowledgements

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To learn more about the Iowa Skills2Compete Coalition, please visit www.centraliowaworks.org.

About the Iowa Skills2Compete Coalition

The Iowa Skills2Compete Coalition is a statewide partnership of Iowa's business, community, education, legislative and workforce development leaders that serve as an organized voice for "skills" at the state's capitol and build more policymaker support for state policies that grow Iowa's economy by investing in its workforce.

Iowa Skills2Compete Coalition

Association of Iowa Workforce Partners
AMOS (A Mid-Iowa Organizing Strategy)
Bridgestone/Firestone
Central Iowa Workforce Investment Board
Central Iowa Works
Child and Family Policy Center
Evelyn K. Davis Center for Working Families
Des Moines Area Community College
Goodwill Industries of Central Iowa
Greater Des Moines Partnership
Iowa Association of Business and Industry
Iowa Association of Community College Presidents
Iowa CareGivers Association
Iowa Employment Solutions @ Des Moines Area Community College
Iowa Laborers' Education and Training Trust Fund
Kirkwood Community College
Manpower of Central Iowa
Master Builders of Iowa
National Skills Coalition
Neighborhood Transportation Services
Principal Financial Group
Project Iowa
United Way of Central Iowa
United Way of East Central Iowa
United Ways of Iowa
United Way of North Central Iowa
United Way of the Siouxland
UnityPoint Health – Des Moines
HCI Care Services/Visiting Nurse Services of Iowa





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