

ANNUAL REPORT

FISCAL YEAR 2006



www.iowaworkforce.org



2006



MESSAGE FROM THE DIRECTOR

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. Throughout the past year, IWD has worked tirelessly to uphold and further this vision for the state of Iowa. Iowa Workforce Development provides critically needed services to Iowans and businesses throughout the state; services which are an integral part of success. The past year has brought increased levels of service and partnerships throughout the state, Kaizen events have streamlined processes for service delivery and an emphasis on health and safety provides a benefit to both employees and employers throughout the state. Recent events regarding CIETC and allegations of discrimination within the agency's hiring practices have brought about considerable change for the agency. While the overall outcomes and desired results provide significant benefits for IWD customers and Iowa tax-payers, the process of moving in the desired direction is often filled with difficult decisions. Since April 2006 and continuing,

- Agency leadership changed at the Director, Deputy Director and Chief Financial Officer levels.
- The personnel unit was downsized and IWD aligned itself with the services provided to all state agencies by the Department of Administrative Services-Human Resources Enterprise. While the move saves the agency nearly \$200,000, six individuals were laid off in the process.
- The Unemployment Insurance Service Center (UISC) stopped taking initial unemployment claims via the 800 number and went strictly to utilizing the Internet based claim or filing at a local office. The change saves \$100,000 a year in phone charges for the agency.
- All communication activities were brought under one umbrella to ensure consistent messaging efforts
- The Policy and Information Division is merging with the Workforce Center Administration Division. This cohesively aligns the labor market information units with the workforce centers, ensuring the information is properly and efficiently disseminated statewide.

The concerns arising from recent events still have a critical hold on the agency with a number of issues yet to be settled and the trust of Iowa's taxpayers needing to be regained statewide and particularly in Central Iowa. The new partnership emerging with Des Moines Area Community College will play a pivotal role in rebuilding the trust. The agency's budget will remain an issue. After the passage of the state's fiscal year 2007 budget, the agency was forced to close 15 offices across the state. As one-time funding sources end, the agency will need to look at additional cuts, new revenue sources and further streamlining.

Finally, Iowa Workforce Development must do a better job of demonstrating the wealth of services and information the agency provides to all Iowans across the state. From employment services to OSHA consultation, unemployment insurance to labor market information, and workers' compensation to OSHA enforcement, the agency touches the lives of nearly every Iowan.

Sincerely,

David Neil
Interim Director





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THE ECONOMIC ENVIRONMENT

The most noteworthy change in the Iowa economy in 2005 was the transition from a weak recovery to a robust and self-sustaining expansion. Iowa's overall economic climate improved substantially during the year, standing in stark contrast to the conditions that prevailed during the 2001 to mid-2004 period. Payroll employment increased at a respectable clip, advancing by 23,600 jobs from 2004. Hiring activity was reflected in most major industry sectors despite the surging fuel prices that would normally dampen economic prosperity.

At the end of 2004, businesses had managed to restore profitability, which positioned them to sustain healthy spending rates into 2005. Manufacturing projects created the vast majority of total capital investment announced in 2005, and were the source of the greatest number of announced jobs according to the U.S. Investment Monitor (USIM). In Iowa, this trend was substantiated by the large growth in manufacturing jobs last year (+6,300), which surpassed the growth in all other industry sectors. While the largest state economies generally attract the greatest amount of total capital investment, measuring capital investment relative to the stock of existing business facilities provides an alternate measure of relative economic development. The top five states by this measure in 2005 were Alabama, Mississippi, Rhode Island, Iowa and Arizona.

Three important economic indicators achieved record levels in 2005. The state's labor force averaged 1,659,800 last year as improved economic conditions encouraged more workers to participate in the labor force. Total employment, which is a component of the labor force, averaged 1,584,100 for 2005. This figure represents all working Iowans, and also includes those who are employed in neighboring states. The third indicator, payroll jobs, reached a record of 1,480,400. This was the largest number of nonfarm jobs reported since 2000.

The resurgence in job growth from mid-2004 throughout 2005 did little to ease statewide unemployment conditions. After reaching a post-recession peak of 4.7 percent in 2004, Iowa's jobless rate dipped slightly to 4.6 percent in 2005; the number of unemployed persons dropped from 77,000 in 2004 to 75,700 in 2005.

A breakdown of nonfarm employment by industry revealed that manufacturing added the largest number of jobs in 2005; however, construction and professional and business services reflected the fastest growth rate at 3.9 percent. The information sector continued to decline with the larger job losses contained in wired communications. This particular industry has lost jobs due to stiff competition and ongoing structural change.

Iowa's ethanol industry was one of the fastest-growing segments of manufacturing in 2005. By the end of the year, the state's ethanol plants represented about 29 percent of the nation's then-operating production capacity. The production of ethanol within the state is expected to have a substantial economic impact in terms of generating jobs in other industries and increasing corn prices for farmers. Typically, plants buy corn from fields within a 30-mile radius, driving up prices about a nickel a bushel.

The fact that unemployment remained relatively high in 2004 and 2005 kept wage increases in the low to moderate range. In 2005, Iowa's average weekly wage was reported at \$632.07, an increase of 3.1 percent from the previous year. Finance ranked as the state's highest-paying private industry with an average weekly wage of \$911.





IOWA WORKFORCE DEVELOPMENT OVERVIEW

Iowa Workforce Development envisions a future where Iowa has safe work places; a productive and economically secure workforce; and where Iowans are prepared for an ever changing future. In conjunction with state and local economic development efforts, IWD also assists businesses in fulfilling their continually adapting workforce needs. Iowa Workforce Development provides a significant number of services mandated by state and federal laws and regulations.

The past year has brought a number of changes to the agency and the way in which we do business. A leadership change, serious issues within a partner agency and reduced funding and both the state and federal level led to the changes. Iowa Workforce Development streamlined processes by aligning the human resource activities with the Department of Administrative Services—Human Resources Enterprise; directed all initial unemployment insurance claims to the Internet or a local office and away from the 800 number; realigned the internal agency structure to enhance our ability to serve customers; and reduced the number of field offices due to budget impacts. Iowa Workforce Development's administrative staff and the Unemployment Insurance Service Center are located in Des Moines. Additionally, the state is served by a statewide delivery system developed in conjunction with our workforce development partners.

IWD maintains a network of local centers within 16 defined regions. 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, Iowa Workforce Development also provides customer access to major services, such as posting résumés, basic service information, filing unemployment insurance claims, and labor market information, 24 hours a day, seven days a week.

These services are found on the family Web sites:

- General information about the department can be found at www.iowaworkforce.org
- The IowaJobs Web site at www.iowajobs.org lists more than 15,000 job openings daily
- The Iowa Works Web site at www.iowaworks.org is designed for Iowa employers
- The Iowa Workforce Information Network at <http://iwin.iowaworkforce.org> provides workforce trend information



*During fiscal year 2006
IWD had 766
employees working in
the Administrative
office, UI Service Center
and 54 points of service
providing for all 99
counties.*

*Iowa Workforce
Development's current
workforce is:
65.54% Female
13.97% Minority
14.88% Reported
Disability*

*IWD employees are
represented by two
unions; the American
Federation of State,
County and Municipal
Employees and Iowa
United Professionals.*





IOWA WORKFORCE DEVELOPMENT OVERVIEW

Iowa Workforce Development, established in 1996, is a department within the executive branch of state government. At the time, the Department of Employment Services and portions of the Departments of Economic Development and Human Rights were merged with the purpose of administering the laws of Iowa relating to unemployment insurance, job placement and training, employment safety, labor standards, workers' compensation and others.

The agency is a proactive, customer-driven organization committed to providing quality services to all Iowans. Iowa Workforce Development envisions a future where Iowa has safe workplaces, a productive and economically secure workforce and where Iowans are prepared for an every-changing future. After recent organizational realignment, Under Interim Director David Neil, the department provides services through five divisions: Administrative Services, Labor Services, Unemployment Insurance, Workers' Compensation, and Workforce Center Administration; and through three bureaus consisting of Unemployment Insurance Appeals, Information Technology and Communications.

Mission Statement:

IWD will contribute to Iowa's economic growth by providing quality customer-driven services that support prosperity, productivity, health and safety for Iowans.

LABOR SERVICES DIVISION

The Labor Services Division 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 Act administration is located within the department. Iowa Workforce Development's emphasis is on voluntary compliance through education and preventive services. In April, Labor Commissioner Dave Neil was appointed Interim Director of Iowa Workforce Development by Governor Vilsack. Steve Slater has served as the Interim Labor Commissioner during this time period and continues to implement the vision of creating a "culture of safety" throughout Iowa's labor force.

POLICY & INFORMATION DIVISION

The Policy and Information Division coordinates the strategic planning initiatives of Iowa Workforce Development and oversees the development of labor market information. A large portion of the labor market information is produced in cooperation with the Bureau of Labor Statistics and the Employment and Training Administration of the U.S. Department of Labor. Workforce Trends describe areas of information in terms of their economic conditions, industries, labor supply, occupations, and wages. The information is specifically designed to assist customers with their business and career-related decisions. Recently, the labor market information activities were aligned with the Workforce Center Administration Division.





IOWA WORKFORCE DEVELOPMENT OVERVIEW



UNEMPLOYMENT INSURANCE DIVISION

The Unemployment Insurance Division provides services to both businesses and lowans through the collection of UI tax payments, processing of benefit payments, quality control and fraud detection. The Unemployment Insurance Division is updating the tax collection system in order to create a streamlined, electronic system for the benefit of all users. The initial phase will allow new employers to register with Iowa Workforce Development and current employers to file their Quarterly Contribution and Payroll Report and make unemployment insurance tax payments electronically via the Internet. Future enhancements will provide self service account maintenance for employers and a more flexible, efficient internal processing system.

WORKERS' COMPENSATION DIVISION

The Workers' Compensation Division performs three core functions: adjudicating disputed workers' compensation claims, enforcing compliance standards and educating lowans about workers' compensation law and procedures. Iowa's Workers' Compensation Commissioner, oversees this division of Iowa Workforce Development. The staff consists of twelve deputy commissioners, six compliance administrators and ten clerical support persons. The division continued to reassess and revise its processes during FY06 in order to provide more prompt adjudication and more effective compliance enforcement. Reductions in the inventory of pending cases and adjudication delay were achieved for the fourth consecutive year. The Division successfully continued a multi-step plan to increase the focus on compliance enforcement by actively enforcing the requirement for filing first reports of injury and enforcing proof of coverage. Division staff continued an emphasis on providing statewide educational presentations on the topic of workers' compensation and the division website continues to provide information to thousands of visitors.

WORKFORCE CENTER ADMINISTRATION DIVISION

The Division of Workforce Center Administration provides a wealth of information, services and resources to lowans, businesses, and partners across the state. The Division administers the programs and services through an intricate system of field offices across the state through sixteen different regions, in conjunctions with our workforce partners. The Divisions' primary functions include employment services, business services, training resources and targeted population activities. Recently, Iowa Workforce Development initiated an organizational restructuring that moved the Labor Market Information bureau within the Workforce Center Administration Division to streamline the delivery of workforce trend information to our customers. The valuable workforce trend information provided from labor market information is an important component of service delivery throughout the state.

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





SMART. RESULTS.

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

- Iowa employers submitted 358,203 job listings.
- IWD averaged 209,215 active job seekers in the IWORKS system each quarter.
- 112,259 Iowans filed new claims for unemployment insurance benefits when they lost their job through no fault of their own.
- The New Iowan Centers provided 21,000 customers with 36,000 different services statewide.
- 22,219 persons were injured and received workers' compensation benefits during fiscal year 2006.
- The IWD family of Web sites averaged over 8.4 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.
- 800 employees received a decision in a contested workers' compensation claim and 4,847 received approval of a settlement of their claim.
- 51 individual laborshed studies, five regional analyses and 118 Industry-specific pieces for business expansion and prospect recruitment were created during FY2006.
- Over 6.5 million dollars of fraudulent and non-fraudulent unemployment insurance overpayments were recovered in FY2006.
- The Division of Labor Services registered 8,678 construction contractors.

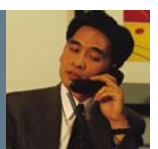
33,288 Iowans received answers to inquiries about workers' compensation laws.

The PROMISE JOBS program average statewide case load was 14,000+ participants.

In FY2006, the Employers' Council of Iowa co-sponsored the first statewide Fringe Benefit Profile Survey and Report.

Each quarter the UI Tax Bureau handles the collection and processing of UI tax reports and payments for 71,000 employers statewide.

IOSH Consultation & Education conducted 390 private sector consultations, identifying 1,683 serious hazards.





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LABOR SERVICES DIVISION

The Labor Services Division provides numerous services to the citizens and businesses of Iowa. Continued emphasis on education and compliance with health and safety regulations by Iowa businesses and better targeting of OSHA enforcement activities to high incidence rate industries allows Iowa to continually reduce the number of accidents and illnesses in the state. In calendar year 2005, Iowa witnessed 88 work related fatalities. As Iowa OSHA continues to streamline and target education and enforcement efforts, we look forward to substantial decreases in the number of accidents and deaths during the next few years.

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. There were no serious injuries reported from fiscal year 1995 through fiscal year 2006 as a result of boiler or pressure vessel accidents.

The OSHA Consultation Bureau strives to constantly improve their response rate to businesses requesting consultation services. The goal is to respond to requests within 60 days. 424 consultations were conducted throughout FY 2006 in the private, public and educational sector. These consultations identified 1,741 serious hazards and 315 additional hazards.

The Voluntary Protection Programs promote effective worksite-based safety and health programs through partnerships with management, labor and OSHA. An organization receiving VPP status is recognized for the outstanding commitment to workplace safety and health. Currently, Iowa has 30 active VPP facilities.

The construction contractor registration program was modified during the 2006 Iowa Legislative Session. Previously, contractors making \$1,000 a year or more were required to register. Effective July 1, 2006, that amount has changed to \$2,000.

Building a culture of safety provides an economic benefit to employers and employees across the state. Organizations who support workplace health and safety initiatives develop healthier, more productive employees. This in turn decreases accidents and illnesses on the job and decreases workers' compensation costs.



Iowa's occupational and injury illness rate has continued to decline since 1994.

The Division conducted 1,320 amusement ride inspections in fiscal year 2006.





2006



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OSHA related inspections took place in the following categories:

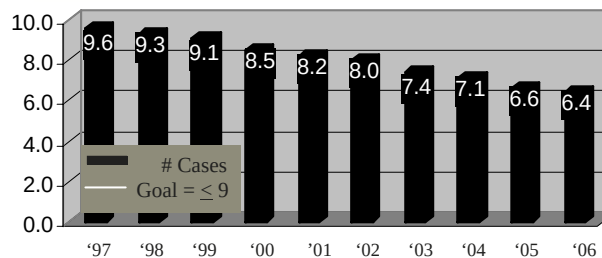
Construction—49.4%
Manufacturing—26.3%
Other Industry—24.3%

Wage Collection Cases Claims Opened.....888
Claims Closed.....1,165
Collected.....\$153,223

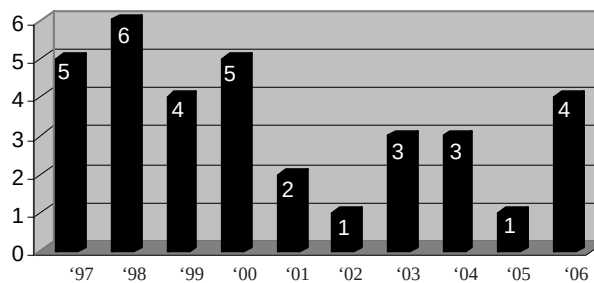
Asbestos Program
1,382 Individual Licenses
72 Company Permits
\$78,560 Fees Collected

Facility Submissions Under the Emergency Planning & Community Right-To-Know Act	Number
Hazardous Chemical Forms	3,010
Total Hazardous Chemicals Reported	14,187
Facilities Submitting Electronically	1,648
Hazardous Chemical Locations Reported	20,358

Occupational Injury & Illness Rate Per 100 Employees



Amusement Ride Accidents Reported





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LABOR SERVICES DIVISION



Amusement Ride Safety Program

Permits Issued110
Fees Generated.....\$69,995

Electrical Inspections392
Mechanical and Electrical Inspections568
Inflatables Inspections360
TOTAL INSPECTIONS1,320

Boiler Safety Program Inspection Type	Number	Fees Invoiced
State	2,498	\$173,468
Private	18,256	\$374,110
TOTAL	20,754	\$547,578

Special Inspector Commissions
Granted.....182 Fees Generated.....\$7,280

Elevator Safety Program

New, Alteration & Construction Permits.....428
Inspections Conducted.....3,848
Fees Generated.....\$499,731

Construction Contractor Registration

Registrations Issued8,678
Registration Fees Collected\$216,950
Citations Issued174
Penalties Collected\$29,650

Professional Athletics Program

Revenues Collected.....\$34,868
Licenses Issued: Wrestling.....17 Boxing.....6
Shoot Fighting.....14

IOSH Consultation Activities

Education and Public Sector
Educational Seminars.....65 Attendance...5,630
Ten-Hour Classes.....27 Attendance.....581
Consultations Conducted.....34
Serious Hazards Identified.....58
Other-Than-Serious Hazards Identified.....2
Employees Covered1,592.

IOSH Consultation Activities

Private Sector
Consultations Conducted.....390
Serious Hazards Identified.....1,683
Other-Than-Serious Hazards Identified.....313
Employees Covered.....15,537

Voluntary Protection Program (VPP)

Active Facilities.....30 Inactive Facilities.....4
Facilities Recertified.....2 New Facilities.....2

IOSH Monitoring & Enforcement Activities

Discrimination Cases*
Opened.....29 Dismissed.....19
Settled.....5 Referred to Federal.....3
Appealed..(denied) 1
TOTAL.....59

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

Safety & Health Violations	Number	Percent
Serious Violations	713	55.6
Willful Violations	2	0.2
Repeat Violations	21	1.6
Other Violations	529	41.2
Failure to Abate Violations	18	1.4
TOTAL	1,283	100.0

Penalty Types	Amount
Serious Penalties Proposed	\$744,740
<i>Average Penalty Per Violation</i>	<i>\$1,045</i>
Willful Penalties Proposed	\$112,000
<i>Average Penalty Per Violation</i>	<i>\$56,000</i>
Repeat Penalties Proposed	\$100,250
<i>Average Penalty Per Violation</i>	<i>\$4,774</i>
Other Penalties Proposed	\$55,379
<i>Average Penalty Per Violation</i>	<i>\$105</i>
Failure to Abate Penalties Proposed	\$267,000
Average Penalty Per Violation	\$14,833
TOTAL PENALTIES PROPOSED	\$1,279,369





2006



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LABOR SERVICES DIVISION

OSHA Enforcement Inspections

Type	Number	Percent
Private Sector	624	95.0
Public Sector	34	5.0
TOTAL	658	100.0
Safety Inspections	429	65.0
Health Inspections	229	35.0
TOTAL	658	100.0
Accident Inspections	24	3.7
Complaint Inspections	163	24.8
General Inspections	240	36.5
Referral Inspections	93	14.1
Follow-Up Inspections	4	0.6
Other Related Inspections	133	20.0
Monitoring	1	0.1
TOTAL	548	100.0

Work Related Fatalities CY2005

Subject to IOSH/OSHA Regulations	24
Not Subject to IOSH/OSHA Regulations	64
TOTAL	88

Work Related Fatalities

By Cause of Death CY 2005

<u>Subject to IOSH/OSHA Inspections & Standards</u>	<u>Number</u>	<u>Percent</u>
Falls	4	16.66
Crushing Injuries	9	37.5
Struck By A Vehicle	1	4.17
Explosion	3	12.5
Suffocation	1	4.17
Assault & Violent Acts	2	8.33
Caught in Equipment	2	4.17
Heart Attack	1	4.17
Drowning	1	8.33
TOTAL	24	100.0

Work Related Fatalities

By Cause of Death CY 2005

<u>Not Subject to IOSH/OSHA Inspections & Standards</u>	<u>Number</u>	<u>Percent</u>
Assaults & Violent Acts	1	1.56
Falls	4	6.25
Struck By or Against An Object	17	26.56
Caught in Equipment	6	9.38
Highway Transportation	14	21.87
Struck By A Vehicle	3	4.69
Non-Highway	18	28.13
Fires & Explosions	1	1.56
TOTAL	64	100.0

Employment By Industry VS. Work Related Deaths By Industry Calendar Year 2005				
Industry Sector	Total Employment	Percent	Work Related Deaths	Percent
TOTAL Private Sector	1,218,541	84.2	88	100.0
Ag., Natural Resources & Mining	15,679	1.1	41	46.6
Construction	71,426	4.9	10	11.4
Manufacturing	229,091	15.8	8	9.1
Transportation & Public Utilities	55,916	3.9	14	15.9
Information	33,304	2.3	0	0.0
Wholesale Trade	67,572	4.7	7	7.9
Retail Trade	180,192	12.4	0	0.0
Finance, Insurance & Real Estate	98,356	6.8	0	0.0
Services	467,005	32.3	8	9.1
TOTAL Public Sector	228,081	15.8	0	0
GRAND TOTAL	1,446,622		88	





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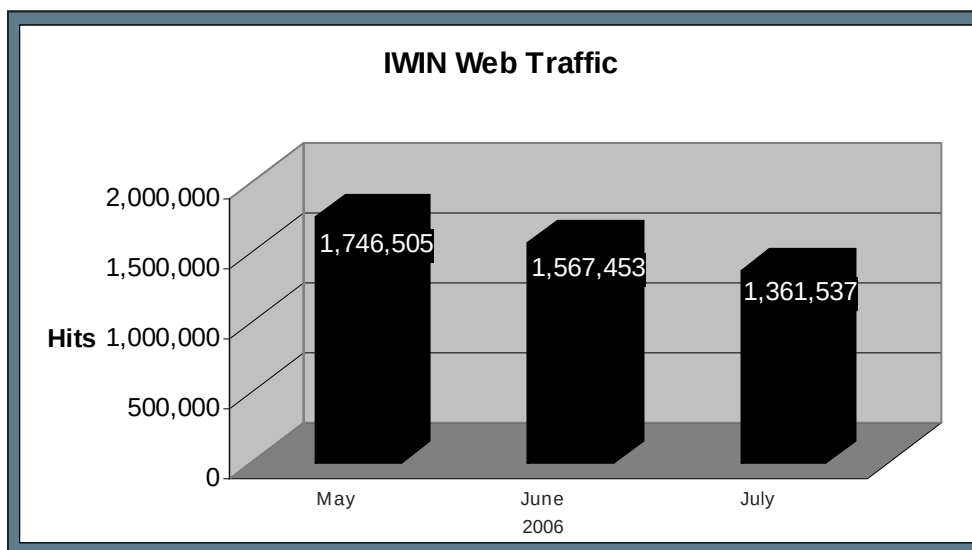
POLICY & INFORMATION DIVISION

The Policy and Information Division coordinates the strategic planning initiatives of Iowa Workforce Development and oversees the development of labor market information. A large portion of the labor market information is produced in cooperation with the Bureau of Labor Statistics of the U.S. Department of Labor. Labor market information describes areas in terms of their economic conditions, industries, labor supply, occupations, and wages. The information is specifically designed to assist customers with their business and career-related decisions.

In May 2006, the Division's new and improved Iowa Workforce Information Network (IWIN) replaced our old labor market information website. Over the past year, several improvements have been added to this site. The first improvement and probably the most important was the connection of the labor market information site to the labor exchange website. Now job seekers can access all of the labor market information that is published pertaining to a particular occupation. This connection quadrupled the web hits almost immediately. IWIN can be visited any time of day, free of charge, at: iwin.iowaworkforce.org. The system offers quick and easy access to a database of thousands of labor market statistics, timely articles, research publications and links to useful economic and job-related websites. A wide range of demographic and economic statistics can be accessed by Iowa Workforce Development Region or for any county within the state. Visitors to the system also have the option of downloading specific data for customized reports, tables, and graphs.

Iowa Trends is a collection of leading economic indicators and other economic information used to evaluate Iowa's economy and forecast future conditions and trends.

The Policy & Information Division provided "coaching staff" for the Iowa Great Places Initiative.





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POLICY & INFORMATION DIVISION



**Michael C. Morrison,
President, North Iowa
Area Community
College...**

"I wanted to write and commend you on the development of this outstanding website. We were extremely pleased with the wide array of information that is available, and we also appreciate the easy access of this information. With our bold, new initiatives in regional economic development (and other areas), we can see great advantages in having this information at our fingertips. On behalf of those of us at North Iowa Area Community College who will be using this information on a regular basis, thank you for your hard work and commitment to developing this quality website."

In early 2006, the division and the Department of Natural Resources completed the initial work on a collaborative project to display an interactive map of tourism sites called the Iowa Recreation Map. This interactive mapping tool was designed for individuals to locate recreational amenities such as hotels, restaurants, hospitals, golf courses bowling alleys and more on the internet. This easy mapping tool can also be used for economic development in locating quality-of-life recreational opportunities. The Iowa Recreation Map went live on the DNR website in June and will be revised quarterly.

The division collaborated on a pilot project with the Institute for Decision Making to provide several labor market analysis reports for two Iowa Values Fund regions, Prosperity Eastern Iowa Region and Northeast Iowa Business Network in northeast Iowa. The analysis that was provided included local economic trends and changes in the workforce, industry fringe benefits, economic industry clusters and available labor. This partnership combined a comprehensive economic/workforce analysis with a community analysis to assist in data-based decisions regarding business expansion and recruitment.

Continued its outreach to customers facilitated the understanding of labor market information and training was provided to IWD staff and partners, economic development groups, job seekers, students and teachers. Staff participated on the Governor's Council of Economic Advisors for the third year, and staff also made presentations to the Regional Workforce Investment Boards (RWIBs) to update them on workforce trends. During the year, staff partnered with the Illinois Department of Employment Security on the Base Realignment and Closing at the Rock Island Arsenal. Both states are working on a multi-year project providing information for the bi-state area to assist those who will be dislocated or choosing to retire.

The Unemployment Insurance (UI) Trust Fund's ability to pay future UI benefits is evaluated within the Division. Various economic assumptions are used to determine if the fund balance is sufficient to pay benefits through an extended economic downturn. Related duties include studying the financial impact of proposed changes in Iowa's unemployment compensation system, preparing unemployment insurance reports to meet federal workload reporting requirements, and determining triggers for extended benefits programs.





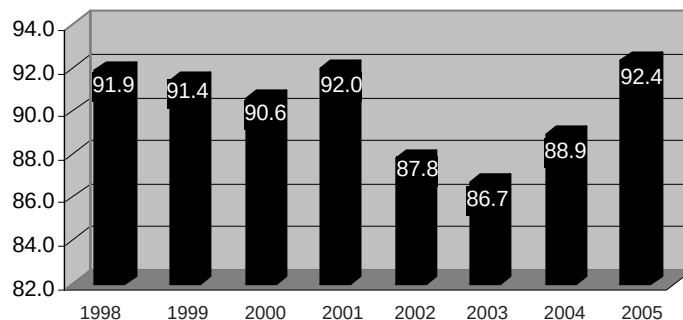
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UNEMPLOYMENT INSURANCE DIVISION

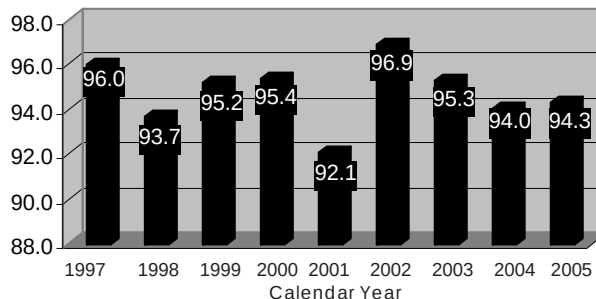
The Unemployment Insurance Division is responsible for collecting unemployment insurance taxes, maintaining the Iowa Unemployment Compensation Trust Fund and making payments to eligible jobless workers. The purpose of unemployment insurance is to replace a portion of the income workers lose when they become unemployed through no fault of their own. The benefits allow employers to maintain the availability of their trained workforce during slow work periods. The payments are funded by a payroll tax paid by all liable employers in Iowa.

Efficient administration of the Unemployment Insurance (UI) system is critical in providing 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. The TPS examines small random samples of basic tax functions to evaluate the UI tax operation's work products. The BAM determines the accuracy of UI benefit 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 the proper payment rate as determined by BAM at 92 percent or better and the quality of tax-related work products as determined by TPS at 94 percent or better.

Benefit Accuracy Measure



Tax Performance System



In 2006, the Unemployment Insurance Services Division received \$1.1 million dollars in Supplemental Budget Requests, the second largest award in the nation, to enhance information technology security systems for the protection of employees' personal data.

Nearly 45% of all private employers qualified for a 0% tax rate in 2006. About 75% received a tax rate of 1.0% or lower.





Smart. Results.

UNEMPLOYMENT INSURANCE DIVISION

The average computed tax rate for 2006 was 1.33% although tax rates for individual employers ranged from 0% to 8% under tax table 6. This is the fourth consecutive year that Iowa has remained on tax rate table 6.

New legislation, the State Unemployment Tax Act (SUTA) law, became effective July 2005. This legislation prevents employers from gaining artificially low tax rates by purchasing a shell business. Civil and criminal penalties are provided for employers and individuals who advise others who deliberately attempt to circumvent this law.

The Division consists of three Separate bureaus. The Tax Bureau determines liability of Iowa employers and maintains their accounts; the Benefits Bureau determines eligibility for the receipt of unemployment insurance benefits; and the Quality Control Bureau ensures employer accounts and benefit payments meet state and federal laws and standards.

The Tax Bureau collects the funds used to pay for unemployment insurance benefits. This process starts by establishing employer tax accounts and helping employers determine if they must file quarterly tax reports. Once an account has been established, the Tax Bureau handles all the functions associated with collecting and processing the quarterly unemployment insurance taxes from Iowa's 71,000 employers. These functions include:

- Collecting employee data including total and taxable wages paid,
- Depositing tax collections with the State Treasurer,
- Maintaining financial records of employer accounts,
- Determining tax rates for employers annually,
- Auditing employer records, and collecting delinquent tax contributions.

The tax money collected is placed into a Trust Fund account that can only be used to pay for unemployment benefits. Employee wage information is used in determining the benefit amount available if an employee became unemployed and filed for benefits.

The Unemployment Insurance Benefits Bureau is responsible for timely and accurate payment of benefits. This includes the processing of unemployment insurance claims, adjudication of contested claims, and investigation and recovery of fraud and non-fraud overpayment of UI benefits.

The Unemployment Insurance Service Center (UISC) manages and coordinates claim processing activities. This past year, unemployment insurance claims were filed over the telephone, at the local workforce centers, and over the Internet. In December 2005, IWD made a decision to enhance and promote the use of the Internet to file unemployment insurance claims. The popularity of the on-line unemployment insurance services has risen to the point that approximately 44 percent of all new claims are completed on-line. Although Internet claims are filed from remote locations, each claim is reviewed and processed by the UISC.

The success of the Internet filed claim has allowed the UI Benefits Bureau to transition away from taking unemployment insurance claims over the telephone which is projected to save \$100,000 per year of public funds.

The unit responds to communications involving technical matters related to unemployment insurance and corrects necessary records and database due to subsequent appeal decisions which reverse the prior decision issued on a claim.



2006



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UNEMPLOYMENT INSURANCE DIVISION



The claims adjudication section is responsible for screening all employer protests, investigating, and issuing reports. The primary responsibility for this unit is to determine individuals' eligibility on disputed claims for unemployment insurance benefits and pay benefits within 21 days of the filing of the initial claim if determined eligible. On average 91% of these claims are paid timely, exceeding the national standard of 90%.

The claims adjudication section investigates all labor dispute protests and issues decisions. First level decisions that determine which employers will receive charges on claims for unemployment insurance benefits and investigations regarding claims for missing wages, as well as performing a variety of maintenance functions on claims to ensure claimants are paid timely and employers are not charged incorrectly are issues handled within claims adjudication. The section performs fact-finding interviews with claimants and employers to resolve issues discovered as a result of claimant responses during the continued claim certification process. The Benefits Bureau manages an average of 7,651 protests each month in addition to the investigations into the hundreds of issues identified monthly through the weekly continued claims. During peak times, the number of protests will exceed 11,000. The Fact Finding unit investigates each of the protests and allows or denies payments of benefits based on Iowa Law.

The Investigation and Recovery Unit is responsible for aggressive action to prevent, detect, investigate and penalize fraudulent actions on the part of employing units and individuals claiming unemployment insurance benefits. They recover overpayments and files liens and garnishments to assist with recovery of overpayments; verify that aliens are entitled to unemployment insurance and investigates and disqualifies those that are not eligible; and conduct the fictitious employer detection program to discover employers set up for the purpose of fraudulent activities. Investigators also prosecute violations of the Iowa Employment Security Law including fraudulent receipt of unemployment insurance benefits and forged warrants in conjunction with each county attorney in Iowa. On average, this unit of investigators will complete 875 cases each month, and at times will exceed 1400 per month resulting in the establishment and recovery of hundreds of thousands of dollars in overpayments due to fraud and non-fraud related reasons. During the last fiscal year, nearly \$6.5 million dollars in fraud and non-fraud related overpayments were recovered.

The primary function of the Benefits Payment Control Unit is to issue overpayment determinations and underpayment supplemental benefit payments due to misreported earnings or eligibility disqualifications. The unit is responsible for overpayment recovery programs which include withholding of Iowa income tax refunds, Iowa lottery prizes, Iowa vendor payments, and the Interstate Reciprocal Overpayment Recovery Arrangement.

The Quality Control Bureau is responsible for the collection and analysis of data pertaining to the accuracy of unemployment insurance payments and the effectiveness of revenue collection processes. The Bureau is responsible for the administration of UI Performs, which include Benefit Accuracy Measurement (BAM), Tax Performance System (TPS), Benefit Timeliness and Quality (BTQ), the State Quality Service Plan (SQSP), and Data Validation (DV). These programs provide IWD a method to assure that federal required performance guidelines are met, that statistical information provided to the U.S. Department of Labor is accurate, and to give IWD an annual communication tool with the U.S. Department of Labor. The programs highlight the UI Division's strengths, goals and plans for achieving any needed performance improvements.





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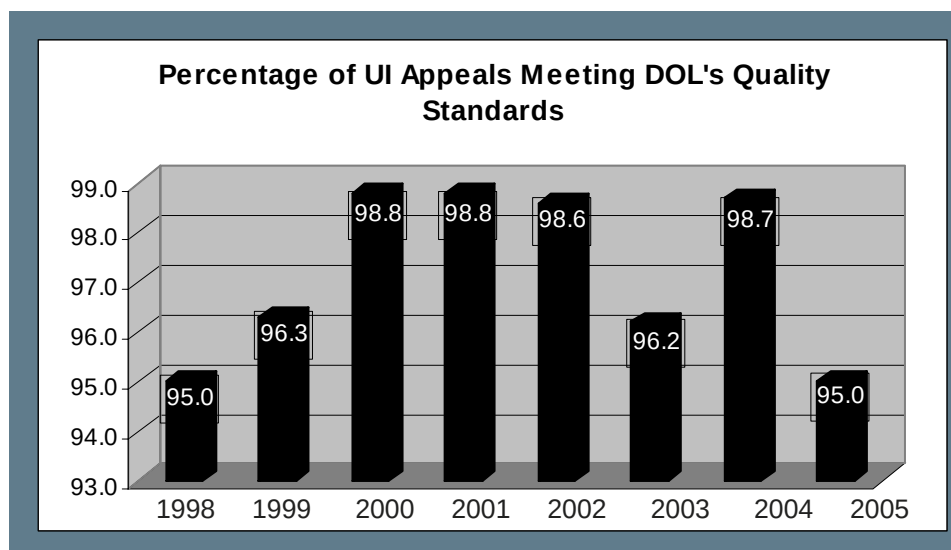
UNEMPLOYMENT INSURANCE DIVISION

For calendar year 2005, BAM statistics show that our proper payment rate was 92.4 percent, our best performance since 1997. The TPS performance summary was 94.3 percent, also well within acceptable range.

The Bureau monitors various other performance measures related to timely first payments to eligible applicants, accuracy of applicant eligibility determinations, and timely determinations of new employer liability.

Fiscal Year	New Employer Determination Made Within 90 Days of the End of the Liable Quarter	UI Claims Determination that Meet Quality Standards	First Payments Made Within 21 Days
2003	68.40%	79.40%	90.20%
2004	69.40%	71.70%	86.60%
2005	71.92%	78.02%	89.80%
2006	71.70%	81.62%	90.50%
TARGET	60.00%	75.00%	90.00%

The Unemployment Insurance Appeals Bureau is separate from the rest of the Division. This allows the appeals process to act independently. 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. 95% of all cases must score 85% or better. IWD consistently meets quality standards in 95-98+% of UI cases.





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WORKERS' COMPENSATION DIVISION

The Workers' Compensation Division has three core functions: adjudication of disputed workers' compensation claims, enforcement of compliance standards, and education of Iowans about workers' compensation law and procedures. The Commissioner oversees this division of Iowa Workforce Development. The staff consists of twelve deputy commissioners, six compliance administrators and ten clerical support persons. The division continued to reassess and revise its processes during FY06 in order to provide more prompt adjudication and effective compliance enforcement. Reductions in the inventory of pending cases and adjudications delay were achieved for the fourth consecutive year. The Division successfully continued a multi-step plan to increase the focus on compliance enforcement by actively enforcing the requirements for filing first reports of injury and proof of coverage. The Workers' Compensation Division staff continued an emphasis on providing statewide educational presentations and the website continues to provide information to thousands of visitors.

The deputy commissioners conducted 838 contested case hearings and issued 800 decisions. The average time for a case to remain pending from the date of the initiating petition until issuance of the decision was reduced from 607 to 569 days. The average time from hearing to decision was 73 days. The inventory of cases pending at the hearing level was reduced from 4,902 to 4,091 cases.

Annual reports showing claim adjusting actions were required to be filed using Electronic Data Interchange (EDI) protocols. The division initiated active enforcement of the statutory requirement for First Reports of Injury (FROI) to be filed promptly after an injury is reported.

Hearing-Level Adjudication

Adjudication occurs when a dispute arises over an employee's entitlement to benefits. Most injury claims are resolved without adjudication. During FY06 22,219 injuries were reported but only 3,669 petitions for benefits were filed. The number of new petitions fell for the fourth consecutive year.

Workers' Compensation adjudication procedures resemble those used in the district court for non-jury cases. An injured worker files a petition seeking benefits. A period for preparing the case for hearing through motions, discovery and investigation follows. The twelve deputy commissioners conduct hearings to decide claims in Des Moines or one of eleven other cities around the state. The inventory of pending cases fell to 4,091 from 4,902 FY05. The average time a case was pending while awaiting resolution by a hearing and decision fell by an additional 10 days over FY 2005. The average time from the date of hearing to the date the decision was

There were 22,219 reports of injury filed with the division. This is an increase of 1,851 from fiscal year 2005.

In the last four years, the average number of days for a Workers' Compensation case to reach a decision after a petition has been filed has decreased by 48 days.





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WORKERS' COMPENSATION DIVISION

issued fell to 38 days. Case inventories and waiting time had been increasing regularly prior to FY03. At the end of FY02 the inventory was 6,579 cases, the time for resolution averaged 651 days and the time from hearing to decision averaged 75 days. Rules that govern preparing cases for hearing and scheduling hearings were amended in fiscal year 2005. The time consumed to resolve cases is directly related to the size of the inventory and number of staff. Further improvement is expected as the staff continues to reduce the existing inventory.

Appeal-Level Adjudication

Any party dissatisfied with a deputy commissioner's decision can appeal to the commissioner for a de novo review of the case. The large number of decisions at the hearing level produced a large number of appeals. Staff that formerly assisted the commissioner with appeals was shifted in 2003 to hearing-level adjudication so fewer people would be impacted by delay. The number of appeal decisions issued in FY06 was comparable to prior years, the inventory of pending appeal cases has not grown for FY06, and the average age of fully submitted pending appeal cases has been decreased.

Compliance

Compliance administrators monitor injury and claim payment reporting, acting as ombudsmen. They responded to 33,288 requests for information about workers' compensation law and reviewed 4,847 settlements for approval. The statute that governs settlements was amended to give the parties greater control over the terms of their settlements. Injury and claim payment data is reported to the agency using the Electronic Data Interchange (EDI). The division initiated the several new compliance steps by actively enforcing the statutory requirement for filing a First Report of Injury promptly after the employer learns of the claimed injury. The division is preparing to move to the next step, actively enforcing the requirement for Annual Reports to keep the database of open claims current. In future years the EDI database will be used to monitor claim payment practices as part of the compliance plan. In addition, with two new compliance staff members the Division will become proactive in the investigation of proof of coverage claims to ensure businesses have a level playing field and injured workers are not left without coverage at a time of injury.

Education

The division provides information about workers' compensation law and procedures to the public on the Web, including news and updates, EDI materials, weekly benefit schedules, summaries of recent appeal decisions and access to the hearing schedule. The division issues publications that disseminate information about workers' compensation law, including a brochure that is mailed to every person with a reported injury. The commissioner and other staff gave numerous statewide presentations on workers' compensation law and procedures at meetings, conferences or seminars for attorneys, insurance personnel, employee groups and employer groups.



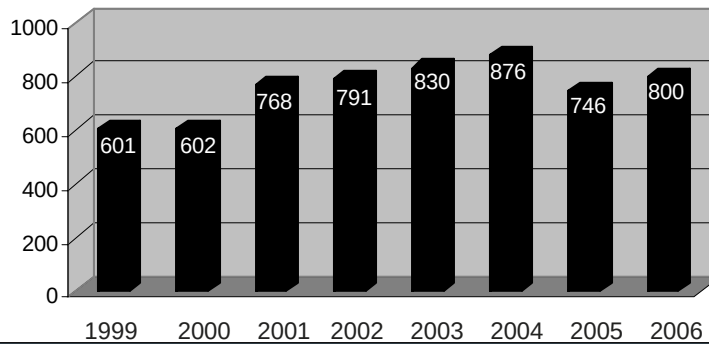


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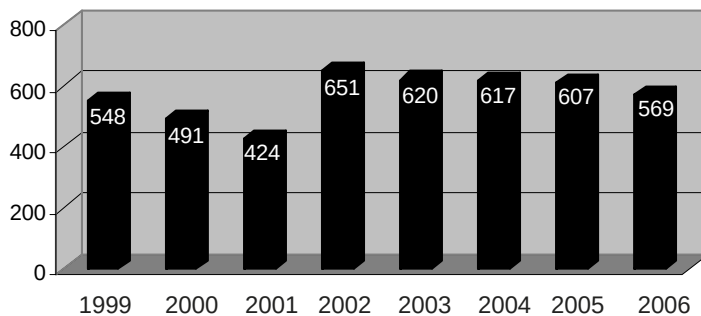
WORKERS' COMPENSATION DIVISION



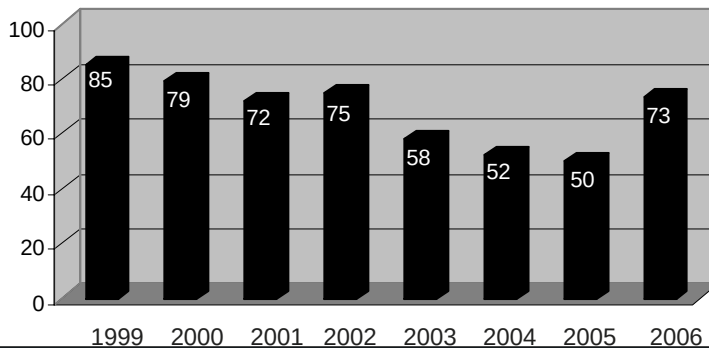
Decisions Issued by Fiscal Year



Average Days from Petition to Decision by Fiscal Year



Average Days from Hearing to Decision by Fiscal Year



Average days from petition to decision decreased by an additional 38 days.





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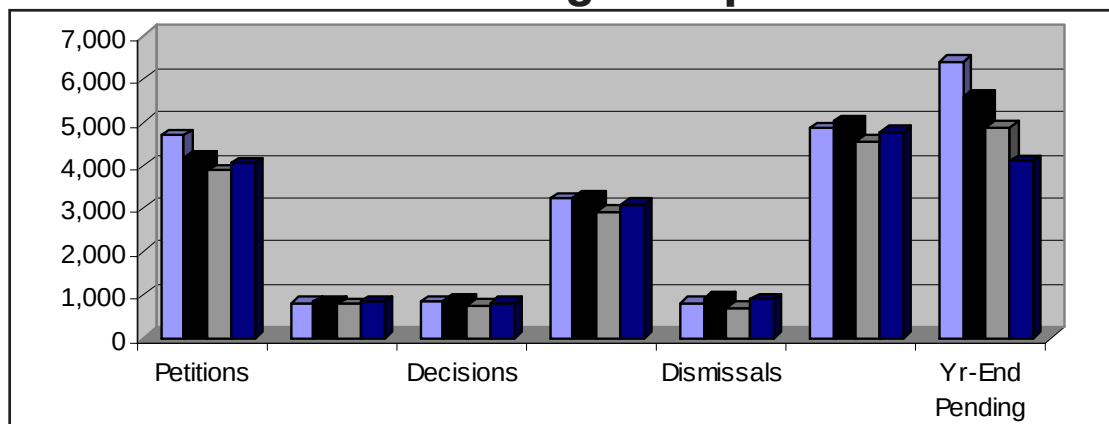
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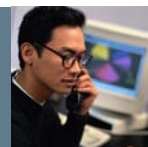
Appeals Activity

WORKERS' COMPENSATION CASES OPENED				WORKERS' COMPENSATION CASES CLOSED						INVENTORY
Fiscal Year	Appealed	Remanded	Opened	Fiscal Year	Decisions	Dismissals	Settled	Misc	Closed	
1999	326	48	374	1999	235	20	45	30	330	340
2000	358	11	367	2000	404	40	50	3	497	210
2001	413	12	425	2001	318	13	35	44	410	225
2002	361	3	364	2002	276	19	49	43	387	202
2003	414	53	467	2003	274	20	55	55	404	265
2004	452	17	469	2004	336	31	82	47	496	238
2005	394	26	420	2005	247	36	53	0	336	321
2006	401	12	413	2006	344	26	63	21	454	282

Annual Hearing Comparison



Fiscal Year	Petitions	Hearings	Decisions	Settlements	Dismissals	Closed	Yr-End Pending
2003	4685	814	830	3220	803	4851	6414
2004	4186	840	875	3253	901	5030	5593
2005	3891	779	746	2928	685	4573	4902
2006	4035	837	800	3088	896	4784	4091





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WORKFORCE CENTER ADMINISTRATION DIVISION



The Division of Workforce Center Administration provides the most recognizable "face" of Iowa Workforce Development. Primary customer contact for a variety of services, including job placement, unemployment insurance, job training, business services, and specialized programs are delivered through a network of sixteen Iowa regions, which includes over fifty IWD staffed locations and additional access points provided by partner and subcontracted agencies. One-stop Service Centers are established in each region to provide the customer with a single source for employment and training services and information, with many basic services such as job search and unemployment claims also made available through the internet. Customer service is the focus of the Division.

Employment Services

The basic "labor exchange" service provided by the Division occurs as businesses list their job openings and are matched with job seekers. Recognizing that the value of this service is directly impacted by customer proximity, IWD offers multiple points of physical access to these services through a network of full-time, part-time, and satellite offices. Labor exchange services are also available through the IWD website, thereby reaching any customer with access to the internet.

The IWD offices provide services that reach well beyond basic job placement. Job seekers visiting those locations have access to computerized resource centers for career exploration, resume preparation, skills assessment and testing, job search, on-line work registration, and on-line unemployment insurance claims filing. Workforce Centers also offer job seekers access to a variety of skill building workshops, job search assistance curriculum and individual case management. Enhanced services are provided to jobseekers who are veterans. Additional federal funding is provided for this purpose. The demand for employment services and the success of the workforce centers is evidenced below:

For the 4 Quarters Ending 6-30-06	9/30/05	12/31/05	3/31/06	6/30/06
Total Active Job Seekers	208,278	207,986	211,416	209,178
Entered Employment Rate	76%	70%	71%	71%
Total Active Vet Job Seekers	14,621	17,273	16,432	16,286
Vet Entered Employment Rate	73%	67%	67%	67%
Job Openings Received	98,779	93,234	85,767	80,423

Training Services

The Division administers and oversees a number of federally funded training programs directed at specific populations. These include services for youth and dislocated workers, individuals on welfare, and those who have barriers to becoming successfully employed.

Trade Adjustment Act: This program provides employment and training benefits to individuals displaced from their jobs due to foreign competition and jobs that are lost because the work activity was either moved out of the U.S. or as a direct result of foreign imports. As in previous years, FY06 saw a continued need for the TAA





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WORKFORCE CENTER ADMINISTRATION DIVISION



program, as 17 petitions were approved for services, impacting approximately 3,500 workers. There was also an increase in the number of individuals accessing the classroom training benefit with an average at any point in time of approximately 1000-1200 participants enrolled in post-secondary training.

Workforce Investment Act: The Workforce Investment Act program is delivered thorough service providers located in Iowa's sixteen regions, and is directed locally by Regional Workforce Investment Boards. The Division provides state-level administration and oversight of these activities. Services are provided to adults, youth, and dislocated workers.

Adults: The Adult program provides employment and training assistance to adults (age 18 and older) to increase their employment, earnings, occupational skill attainment, and job retention. Three levels of service are available to adults: core, intensive, and training. Adult program funds are limited; therefore priority for provision of intensive and training services is given to adults who are low-income or welfare recipients. During FY06, the WIA Adult program served 1,183 participants at a cost of \$2,471,485. Adult participants achieving employment after program participation earned an average of \$4,247 more per quarter than they earned prior to participation. All four adult program performance measures were achieved at the Department of Labor (DOL) required performance levels.

Youth: The WIA Youth Program continues to develop into a comprehensive youth development program. Across the state, workforce development approaches are becoming more integrated with a youth development framework in the provision of comprehensive services to WIA eligible youth. Many regions throughout the state are striving to engage more out-of-school youth in providing support and services that will lead the youth to gainful employment. It is important that youths are employed in a field that not only interests them, but one in which they have the potential to obtain the skills and abilities to be successful. Local partnership development has increased as resources become scarcer to provide services to youth with barriers to education and employment success.

During FY06, 451 Older Youth (age 19 to 21) participated in the program; as well as 778 Younger Youth (age 14 to 18). Total costs for the Youth program were \$1,741,262. All performance standards met or exceeded negotiated levels.

Dislocated Workers: The WIA Dislocated Worker programs provide retraining and re-employment services to individuals dislocated from their jobs because of layoff or plant closing. During FY06 a total of 1,711 individuals participated in the program at a cost of \$2,754,161. After leaving the program, about 90% of participants became employed, and 93% retained their jobs for at least six months. The Dislocated Worker program also achieved all four of the program performance measures at the DOL required performance levels.

During FY06, a total of 451 Older Youth (age 19 to 21) participated in the program; as well as 778 Younger Youth (age 14 to 18). Total costs for the Youth program were \$1,741,262. All Youth performance standards were achieved at or above the level negotiated with DOL..





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WORKFORCE CENTER ADMINISTRATION DIVISION



During FY06, a number of grants to serve dislocated workers from specific plants or businesses were also provided by IWD or received from the Department of Labor. Eight programs were transitioned in from the previous fiscal year at a cost of \$54,600, serving 546 participants. Eight new Early Intervention grants, totaling \$115,430, were provided by IWD for basic re-employment services to quickly re-engage workers in employment. Two grants for Special Intervention Funds, totaling \$45,000, were made available to provide case management, assessment, career counseling, and help to develop an Individual Employment Plans to an additional 225 participants. The Department of Labor awarded a total of \$2,581,353 for five National Emergency Grants (NEGs) to serve workers from larger dislocations of at least 50 workers. And finally, IWD funded three additional grants, totaling \$273,711, for smaller dislocations that were not eligible for an NEG.

WIA Incentive Award: The U.S. Departments of Labor and Education annually award bonus grants to states that meet all of the performance goals in the Workforce Investment Act, the Adult Education and Family Literacy Act, and the Carl D. Perkins Vocational and Technical Education Act. In FY06, the State of Iowa received such a bonus award for the third successive year. Iowa Workforce Development is coordinating the use of these bonus funds with the Iowa Department of Education to implement new literacy projects in Area Education Agencies and Workforce Development Centers. The FY06 award of \$665,157 increased the grant funding for the literacy project to \$2,218,330.

PROMISE JOBS: This is a federal and state funded employment and training program that is mandatory for most Family Investment Program (welfare) recipients. The employment and training services enable participants to successfully obtain employment and leave the welfare roles. IWD and WIA service providers deliver the services under this program. The statewide average caseload for the PROMISE JOBS program in FY06 was over 14,000 participants. Success in the PROMISE JOBS program is evaluated by the level of participation in the program and placement of participants in jobs. It requires extensive coordination between PROMISE JOB, Income Maintenance, and Family Development workers.

Targeted Populations

Several programs exist to provide specialized services to targeted populations. A recap of activities follows.

New Iowan Centers / Migrant and Seasonal Farm Workers: The focus of the New Iowan Centers is to help anyone new to Iowa, whether from another state or another nation, feel welcome. Unskilled, semi-skilled and skilled workers are employed in all sectors of a community and add to the community's assets. These jobs are essential to keeping the state's economy growing and communities strong. In addition, newcomers bring their education and experience to be utilized by our state. The focus of the New Iowan program has grown to a broader range of economic development communities activities.

In July of 2005 the NIC program received a three-year DOL demonstration grant to expand service delivery. In addition to the New Iowan Centers originally established in Muscatine, Sioux City, and Ottumwa, new full service New Iowan Center are also operating in Council Bluffs and Des Moines. Additional outreach locations are in Perry, Storm Lake, and Waterloo. New outreach locations in Marshalltown and Mount Pleasant are planned to open in fall of 2006. Volunteer VISTA positions were granted to develop infrastructure and service delivery coordination for people dislocated due to disaster, specifically Hurricanes Katrina and Rita. Volunteers are located in Cedar Rapids and Des Moines.





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WORKFORCE CENTER ADMINISTRATION DIVISION

Activity in the Centers continues at a high rate. In PY 2005, over 21,000 customers were served with 36,000 services delivered statewide. During the same period of time, over 3,000 employers received special trainings, diversity presentations, translations, interpretations, immigration updates and presentations, marketing and staffing assistance.

Disabilities/Navigators: Iowa's One-Stop Workforce Center System maintained efforts to fully include Iowans with disabilities in the workforce in PY05. IWD continued joint efforts with Iowa Vocational Rehabilitation Services, Iowa Department for the Blind, Iowa Division of Persons with Disabilities, Iowa Governor's Developmental Disabilities Council, Iowa Department of Human Services and Iowa Department of Education to position employment services to be a stronger resource to our citizens with disabilities. Iowa's Navigator program has been implemented in all 16 Iowa Workforce Development Regions. With a navigator assigned to each region, resources to address service accessibility, assistance with Social Security benefits planning services, staff training and support, and supports to businesses to successfully include Iowans with disabilities in their labor force have been enhanced. This network of professionals has been effectively integrated into the Iowa Workforce Center system.

The transition of youth with disabilities from school to work and employment services has been a concern nationally. Iowa's state agency collaboration has received a grant from the Office of Disability Employment Policy to develop transition prototypes in three Iowa communities. These prototypes have been based on the development of community resource mapping strategies. Funding for this initiative will possibly end next year, but the lessons learned in this initiative are being disseminated.

Work Opportunity Tax Credits: This is a federally funded program which entitles an employer to a federal tax credit when an individual, who is a member of a qualified group, is hired. Target populations for this program are: military veterans; ex-felons; recipients of social security income, food stamp and/or welfare recipients; and vocational rehabilitation participants. The credit is based upon wage and number of hours worked during the first 12-months of employment, with a maximum of \$2,400. The WOTC program was due for its bi-annual renewal by Congress in January 2006; however it remains in hiatus pending Congressional decision making.

Alien Labor Certification: This certification process allows certain aliens to obtain work authorization for entrance into the United States in order to engage in employment if there are not sufficient U.S. workers who are willing, qualified and available for the employment, and if the employment of the alien will not adversely affect the wages and working conditions of U.S. workers similarly employed. The Alien Labor Certification process applies to temporary/non-immigrant workers as well as permanent workers. For the non-immigrant categories (H2A/H2B) in FY06, Iowa Workforce Development processed 39 H2A applications providing 885 agricultural workers; and 28 H2B applications for 222 workers in construction, turf farms, landscaping, amateur hockey players, and greenhouse workers. In the permanent Labor Certification process, over 575 applications were transferred to the U.S. Department of Labor Backlog Elimination Center in Dallas, Texas. The majority of the applications were for IT, engineering, college professors, and medical professions. IWD is working with the Labor Department and Iowa employers on the disposition of their application(s) for foreign workers.



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WORKFORCE CENTER ADMINISTRATION DIVISION



Business Services

Workforce Centers across Iowa provide a wide range of services to businesses. Employers take advantage of IWD's recruitment, screening, and referral services in their search for qualified workers. On average, there were over 89,550 job openings per quarter placed by employers. In addition to IWD's job matching system, business assistance includes job analysis, skills testing, and up to date labor market information.

Business service representatives work one-on-one with employers to help solve unique recruitment and staffing issues; identify employer issues in the workplace; arrange seminars and workshops; and provide current information on the workforce trends. This year, staff worked with local management to develop and promote the on-line job order and direct links to businesses web sites via the IWD web site. Both of these new services have proven valuable. On average, 593 job orders are placed electronically each month, and there are currently 2,199 business web site links.

Laborsheds: Iowa Workforce Development assists economic development efforts throughout the state by conducting "Laborshed Studies". A laborshed is defined as the area or region from which an employment center draws its commuting workers regardless of natural or political boundaries. Laborsheds are conducted in partnership with local economic development groups, utilities, community colleges, and local officials.

A laborshed gives communities the ability to document and illustrate the characteristics of their labor force, which has proven to be a unique and effective tool for retaining and expanding their existing businesses while also attracting prospective new employers into the area. Information that is incorporated into a laborshed study includes: potential labor force; availability & willingness to change/enter employment; occupations; wages; benefits; commuting distances; education; advertising sources for employers; out commute/in commute; and underemployment. In fiscal year 2006, the Strategic Workforce Initiatives Unit completed 51 individual laborshed studies and five regional analyses. Industry-specific labor availability data was requested for business expansion and prospect recruitment for 118 different projects throughout Iowa.

Employers Council of Iowa (ECIs): ECIs have been active since the early 1980's. ECIs provide an employer's perspective in advising IWD and other policy makers on the full range of workforce issues and topics of concern to employers. ECIs work in partnership with Iowa Workforce Development to meet the workforce needs of employers.

There are 19 local councils supporting the mission of ECI by conducting regular meetings, lunch and learns, seminars, conferences, job fairs, legislative sessions and other programs that assist employers. Some ECIs have broadened their mission to include scholarship awards, computer purchases, and other items needed by job seekers. Membership in ECI is free and open to all Iowa employers.

The special role of the state ECI is to help gather and disseminate information about the activities of the local councils. In Program Year 2005 the State ECI co-sponsored the first comprehensive statewide employer benefit survey. Some topics addressed by ECIs in PY05 include: employment law, diversity in the workplace, laborsheds and employee availability; health savings accounts, employee wellness, services for veterans, child labor laws, wage garnishment, civility and ethics in the workplace, customer service seminar, and civil rights and workplace harassment.





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FINANCIALS

**BEGINNING CASH BALANCE**

Penalty and Interest Funds	FY 2006 \$1,738,497.45
Trade Expansion Act Benefit Funds	\$246.56
WDC Major Program Funds	\$74,330.21
WDC Other Funds	\$777,462.08
Iowa Corp Earned Tuition	\$0.00
Admin. Contribution Surcharge Funds	\$0.00
Amateur Boxing Funds	\$7,885.53
Food Stamp Allowance Funds	-\$398.70
Disaster Unemployment Benefit Funds	\$0.00
Wage Payment Collection Funds	<u>\$0.00</u>
	\$2,598,023.13

PLUS REVENUES

General Fund Appropriations	\$12,135,455.00
General Fund Appropriations Carried Forward	\$163,894.15
Surtax Carryforward	\$0.00
Federal Support	\$70,618,774.84
Intra State Transfers	\$13,899,186.60
Taxes Collected	\$2,930,000.45
Refunds and Reimbursements	\$991,849.89
Local Governments	\$192,020.00
Interest	\$36,744.33
Indirect Cost Over-Recoveries	\$0.00
Fees, Licenses and Permits	\$1,550,946.47
DAS Supplemental Funds	\$0.00
Other	<u>\$16,335.49</u>
	\$102,535,207.22

MINUS EXPENDITURES

Personal Services	\$53,336,401.94
Travel and Subsistence	\$931,380.70
Supplies and Materials	\$641,768.59
Contractual Services	\$26,377,699.60
Equipment and Repairs	\$3,638,469.00
Claims and Miscellaneous	\$9,122,492.31
Licenses, Permits and Refunds	\$2,122,856.41
State Aids and Credits	\$3,631,802.93
	\$99,802,871.48

EQUALS ENDING CASH BALANCE**\$5,330,358.87**

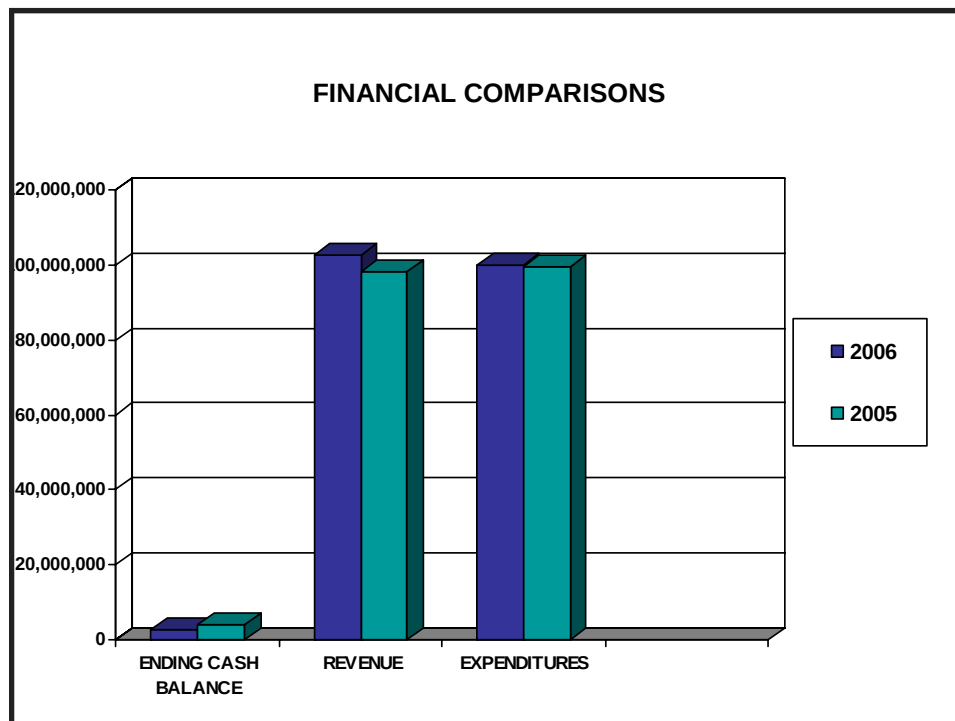


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FINANCIALS

ENDING CASH BALANCES BY FUND

	FY 2006
Penalty and Interest Funds	\$2,157,965.73
Indirect Cost Pool	\$102,422.49
Boiler Inspections	\$180,336.39
Elevator Inspections	\$325,397.37
Labor Programs, State Appropriations	\$146,477.17
Laborshed and Labor Surveys	\$114,227.15
Reoccurring Maintenance	\$16,647.20
Work Keys	\$122,741.96
Child Support Intercept	\$58,307.90
Trade Expansion Act Benefit Funds	\$0.00
WDC Major Program, Federal Funds	\$2,066,525.77
WDC Other Funds, Federal Funds	-\$4,795.29
Amateur Boxing Funds	\$38,083.71
Food Stamp Allowance Funds	\$0.00
Client Reimbursements	<u>\$6,021.32</u>





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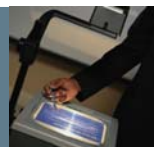
FINANCIALS



PROGRAM EXPENDITURES

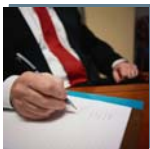
FY 2006

Unemployment Insurance	\$25,900,440.83
Workforce Investment Act (WIA)	\$16,614,456.42
Temporary Assistance for Needy Families	\$13,441,981.94
Employment Services, Large Office, Wagner Peyser	\$6,567,238.98
Employment Services, Large Office, Reed Act	\$4,267,521.89
Trade Adjustment Assistance - TAA, NAFTA, ATAA	\$6,319,792.97
Field Office Employment/Unemployment, Interest	\$35,184.75
Field Office Employment/Unemployment, General Fund	\$6,856,655.00
Field Office Employment/Unemployment, Reed Act	\$264,561.81
Labor Survey Receipt, Expenses	\$79,292.85
Occupational Health and Safety Act (OSHA)	\$4,360,622.70
Boiler Inspections	\$461,852.65
Elevator Inspections	\$508,331.17
Reed Act, Tax Redesign	\$1,408,477.92
Worker's Compensation, Appropriations	\$2,246,400.15
Worker's Compensation, Misc. Receipts	\$226,969.75
Worker's Compensation, Penalty and Interest	\$339,845.40
BLS Labor Force Statistics	\$2,637,101.26
Division of Labor Services	\$931,287.59
Disabled Veterans' Outreach Program (DVOP)	\$1,278,706.50
Local Veterans' Employment Program (LVER)	\$281,058.60
Reemployment Services	\$681,218.61
North Carolina ALMIS	\$762,603.49
Disability Program - Navigator	\$1,196,442.87
WOTC	\$281,537.29
Food Stamps	\$140,896.36
New Iowan's Centers, Appropriations	\$166,359.18
Immigration Services Center, P & I Approp. and Unapprop.	\$73,420.21
New American's Center, Federal	\$207,770.62
Child Support Enforcement	\$418,577.63
Labor Certification for Alien Workers	\$118,072.57
Other Penalty and Interest (P & I) Funds	\$350,769.11
BLS Compensation and Working Conditions	\$174,437.48
Admin. Indirect Cost Pool	\$28,581.57
Work Keys	\$101,175.69
Workforce Board General Fund Appropriations	\$10,013.11
Athletic Commission	\$33,400.43
Clive/Mason City, Client Reimbursements	\$2,082.13
Reoccurring Maintenance	\$27,732.00
	\$99,802,871.48





2006





Smart. Results.

Equal Opportunity Employer/Program

Auxiliary aids and services available upon request to individuals with disabilities.

IOWA WORKFORCE DEVELOPMENT

1000 East Grand Avenue

Des Moines, IA 50319

515-281-9646

For Deaf or Hard of Hearing, Use Relay 711

IWD.Communications@iwd.iowa.gov