



SWDB BOARD MINUTES

Date: 10-23-20

Location: Virtual

Voting Members

Voting members serve four-year terms.

| No. | Name | Organization | Affiliation | Present | Not Present |
|-----|----------------|---|-----------------------------------|---------|-------------|
| 1. | Kim Reynolds | State of Iowa | Governor | | X |
| 2. | Jake Chapman | Senate Appointed by President | State Senator | | X |
| 3. | Dave Deyoe | House of Representatives Appointed by Speaker of the House | State Representative | | X |
| 4. | Beth Townsend | Iowa Workforce Development | Director | X | |
| 5. | Ann Lebo | Iowa Department of Education | Director or Designee | X | |
| 6. | Emily Wharton | Iowa Department for the Blind | Director or Designee | X | |
| 7. | David Mitchell | Iowa Vocational Rehabilitation Services | Administrator IVRS or Designee | | X |

Voting Members

Appointed by Governor, confirmed by the Iowa Senate, serving staggered four-year terms.

| No. | Name | Organization | Affiliation | Present | Not Present |
|-----|----------------------------------|---|-------------|---------|-------------|
| 8. | Lynn Schreder Chair | KHI Solutions, LLC | Business | X | |
| 9. | Jay Iverson Vice Chair | Home Builders Association of Iowa | Business | X | |
| 10. | Anne Parmley | Pearson | Business | X | |
| 11. | Amy Larsen | United Equipment Accessories | Business | | X |
| 12. | Sondra Meyers | Katun Corporation | Business | X | |
| 13. | Becky Jacobsen | Smithfield Foods | Business | X | |
| 14. | Jeff DeVries | WestWing Logistics | Business | | X |
| 15. | Daren Westercamp | Ag Leader Technology | Business | X | |
| 16. | Kelly Barrick | The Private Bank | Business | X | |
| 17. | John (Jack) Hasken | Jackson Manufacturing, Inc. | Business | | X |
| 18. | LuAnn Scholbrock | Coloff Digital | Business | | X |
| 19. | VACANT | | Business | | |
| 20. | Teresa Hovell | Vermeer | Business | X | |
| 21. | Curt Strouth | City of Sheldon | Business | | X |
| 22. | Jessica Dunker | Iowa Restaurant Association | Business | X | |
| 23. | VACANT | | Business | | |
| 24. | Daniel Tallon | Unity Point | Business | X | |
| 25. | Carrie Duncan | International Association of Machinists Local 1010 | Labor | | X |
| 26. | Rich Kurtenbach | Labor Organization: Construction Industry | Labor | | X |
| 27. | Charles Wishman | Iowa Federation of Labor, AFL-CIO | Labor | X | |
| 28. | Andy Roberts | Plumbers and Steamfitters Local #33 | Labor | | X |

Voting Members

Appointed by Governor, confirmed by the Iowa Senate, serving staggered four-year terms.

| | Name | Organization | Affiliation | Present | Not Present |
|-----|----------------|-------------------------------------|---|---------|-------------|
| 29. | VACANT | | Joint Labor – Management Apprenticeship Program | | |
| 30. | Jayson Henry | The Well | Community Based | X | |
| 31. | Carmen Heck | Goodwill of the Heartland | Community Based | X | |
| 32. | Quentin Hart | City of Waterloo | City Elected | X | |
| 33. | Nancy McDowell | O'Brien County Board of Supervisors | County Elected | X | |

Ex Officio, Nonvoting Members

Ex officio, nonvoting members are appointed or designated by entities in accordance with Iowa Code § 84A.1A(1)(b).

| No. | Name | Organization | City | Present | Not Present |
|-----|--|--|--------------|---------|-------------|
| | William Dotzler | State of Iowa Senate, Minority Leader Appointee | Waterloo | X | |
| | Kirsten Running-Marquardt | State of Iowa House of Representatives, Minority Leader Appointee | Cedar Rapids | | X |
| | Drew Conrad | University of Northern Iowa, Board of Regents Designee | Cedar Falls | X | |
| | John Smith | Drake University, Association of Independent Colleges Appointee | Des Moines | X | |
| | Rob Denson | Des Moines Area Community College | Ankeny | X | |
| | Rita Grimm (Director Designee) | Iowa Economic Development Authority (IDEA) | Des Moines | X | |
| | Kyra Hawley (Director Designee) | Iowa Department on Aging (IDA) | Des Moines | X | |
| | Beth Skinner (Director Designee) | Iowa Department of Corrections (DOC) | Des Moines | X | |
| | Kelly Garcia by Jacki Roger (Director Designee) | Iowa Department of Human Services (DHS) | Des Moines | X | |
| | VACANT | Apprenticeship | | | |
| | Mary Cannon-James | Largest Statewide Labor Organization for State Employees American Federation of State, County, and Municipal Employees Council 66 | Davenport | | X |
| | VACANT | Labor Organization: Construction Industry | | | |
| | VACANT | Labor Organization: Manufacturing Industry | | | |

Other Attendees.

| Attendee | Organization | Present | Not Present |
|---|--------------|---------|-------------|
| Shelly Evans, Board Administrator | IWD | X | |
| Ryan West, Deputy Director | IWD | X | |
| Michael Witt, Division Administrator | IWD | X | |
| Michelle McNertney, Division Administration | IWD | X | |
| Jon Peppetti, Attorney | IWD | X | |
| David Steen | IWD | X | |
| Brooke Axitois | IWD | X | |
| Michael Spurgin | IWD | X | |
| Chad Matchie | IWD | X | |

MEETING MINUTES

Call to Order, Lynn Schreder, **Chair**.

Roll Call and establish Quorum, Shelly Evans, Board Administrator.

ACTION ITEM

| ACTION | 1 st | 2 nd | Unanimously Approved |
|---------------------|-----------------|-----------------|-------------------------|
| Approval of Agenda. | Quentin Hart | Carmen Heck | X |

ACTION ITEM

| ACTION | 1 st | 2 nd | Unanimously Approved |
|---|-----------------|-----------------|-------------------------|
| Approval of Minutes from 7/17/20 meeting. | Quentin Hart | Carmen Heck | X |

Welcome by Lynn Schreder, Chair.

- Thank you for taking the time today. Notice when we go through roll call we have several people who are voting members there are not here and we get nervous when we might not meet quorum. With ZOOM format it is efficient of use of our time, and I appreciate you dialing in because we have important things we are talking about.

Director's Report by Director Beth Townsend, Iowa Workforce Development.

- Appreciation to IWD staff.
- Benefit summary -- since March 15th through October 17th benefits:
 - 467,000 new claims filed.
 - Paid out 973 million in unemployment insurance benefits.
 - Paid \$3.4 million continuing weekly claims.
 - Paid \$1.6 billion in federal CARES Act money under FPUC program that ended in July.
 - Paid 376,000 lowans under PUA totaling \$131 billion.
 - Paid 280,000 extended benefits under CARES Act (benefits after 26 weeks) \$100 million in those benefits.
 - Extended benefit triggers on when UI rate arises above 5.0%, triggered in July and began paying those claims. Paid 35,000 paying another 13 weeks of benefits.
 - 181,000 lowans received benefits totaling \$152 million under Lost Wage Assistant Program. Iowa was 3rd state to request and receive Lost Wage benefits.
- IWD staff has done 5-year worth of work in last 6 months. Mandatory overtime was required through mid-July. Mandatory overtime is still required Monday – Friday, working 10 hour days. Volunteer overtime workers continue each Saturday.
- 100 temporary employees have been trained and hired. Hoping some will apply for permanent positions.
- Work through fact-finding backlog. Fact-finding was waived first 2 months of pandemic due to overload of paying claims. This number will continue to rise now that employers are requesting employees to return to work as there will be more contested claims.

Questions.

Charlie Wishman - You and staff are doing amazing work and thank you for helping out lowans. Mentioned below 5% for UI rate, is that correct? How are we still dropping rate? Help me understand.

Director – Bureau of Labor Statistics from the USDOL figure the unemployment for the entire country and define unemployed as people who are jobless but actively seeking work and available to take a job. Traditionally the busiest times for workforce in Iowa are November and December due to shutdown of construction industry due to weather. Anticipate increase. Manufacturers also take time off in November and December. See spike in construction claims is expected this year.

If individual does not have a job but is not looking for a job, they are not counted as being in the workforce. This includes retired, stay at home moms and full-time students. Unemployment rate includes those employed or unemployed but who are seeking a job.

Initial claims were high but compare to numbers during pandemic of 40, 50 – 60,000 initial claims starting. UI rate was up to 11%. When at 2.8 getting about 2300 initial claims per week. About double of what we normally see even with rates below 3%.

Iowa has always had a high labor participation rate, usually 69-70% pre-pandemic. Currently at 65%. A lot of people in workforce and working and a lot coming back into it. Claims continue to go down weekly of about 4-5,000. 64,000 postings for jobs today on website. With these openings employers are desperate to find workers. Open offices to help with job searches, resumes, and finding open positions. Plenty of jobs to go back.

Charlie Wishman – I suspected that was the answer but thanks for clarification. Thanks to you and your staff for 9 months straight.

Director – It feels like 9 years but will certainly pass on to staff. When I hear from Governor, stakeholders, and legislatures, I do pass on to staff. Now less people are qualified and some unpleasant conversations take place around benefits. Staff continue to show up every day to answer phones cheerfully, professionally and try to provide assistance. They do appreciate the appreciation that others show and will definitely pass that along.

Governor Economic Recovery Advisory Board. Workforce group chaired by Mary Andringa and A.J. Loss. Put together workforce recommendations and worked with other groups. Report finalized and put on website at the end of October. Recommendations coming. Not surprising childcare was biggest item our group worked with. Childcare not an issue in a short time. Recommendation of creating task force for holistic and strategic plan, like FRI. No one issue or solution for childcare, if don't do systemically we will not solve the issue. Proposal to Governor and legislator to address the childcare issue.

Starting to talk about charging employers for UI claims. Currently not charging and most states are not either. Nebraska start at beginning of August. Appreciate feedback from this group on when to charge employers. Do charge employers for non-COVID related claims.

Jessica Dunker – Any discussion on unemployment for pain? CARES Act will give 2nd round of PPE to businesses with 35% decline in revenue. Any possibility of doing scalable approach based on how much a business has been hurt.

Director – Not that I am aware of. Difficult to enforce. Most employers in restaurant and hospitality may not be paying significant amount. I am not talking about tax rate. Governor put money into trust fund to assure that employers would not see increase in employment taxes in 2021. Over 20 states borrowing money from feds for their trust fund. Iowa's trust fund has over a billion dollars current. 11 – 13 million withdrawn per week for benefits. 3rd quarter tax payments due in November. In order to borrow from feds for trust fund, your trust fund has to be within 30 days of having a zero balance. Lowest 300-400 million during recession. If borrowing really accelerates. Surprisingly Congress not talking about trust funds. Agree there will be another stimulus bill not before election and then depends upon election results. From workforce perspective asking congressional reps to support flat rate payments, if FPUC turned back on and not retroactive. Retroactive payments that take the most time to turn on and pay and causes more claims. Really great if the stimulus prospective and not retroactive. Keep payment at flat rate. Individual amount of lost wages v. UI we would estimate and implement of 5-6 months because it is so complicated. Cannot be turned on until it is ready for everyone. Not one size fits all. States should determine the flat rates due to economic factors. 80% of Iowans were making more on UI benefits, if getting max benefits were getting \$1,200 per week, average of about \$30 per hour and this makes it hard for employers to compete with.

Senator Dotzler – I have concerns about turning it on especially right now because we are seeing record high cases of COVID and deaths. Several employers contacted him about letting people go because of downturn in business because of COVID. Restaurants really struggling. Wait for a couple of months. That's my concern.

Director – We are not looking anything this year in 2020. Not changes to system or employers this calendar year. At some point we are going to start doing it. Is January the right time? You are correct it will depend upon what is going on the ground.

Dotzler – Elected officials in senate and house have opportunity to speak about what they are hearing from their districts. Hearing a lot. Only legislatures on the call. Important to get all communications before we make a decision. Appreciate you waiting.

Director – Need legislative voices heard. Trying to gather feedback and what other states are doing. Not something we want to do anytime soon.

Dotzler – Rep. Deyoe definitely got things going on at this time of year. I missed last meeting in July because of family thing. We do listen to legislatures and hear directly from area businesses they represent.

Director – I hear from a lot of legislatures, not on this issue, but appreciate your feedback. When we decide we give everything lots of notice. Not overnight. We want to provide as much notice as possible of that change.

Director - Share good news with you. We got some really good news. IWD putting out short term grant opportunities. Governor gave \$15 million for COVID Relief Fund to create grant programs. Based on EIF model. Did not require private share match. Provided money and 3rd round of grants opened for Earn and Learn model program. Difficulty for these grants money has to be spent by December 30th of this year. Short timeframe. Programs up and going apprentices enrolled by February. Money has to be out the door by the end of December. A lot of work in short time to do it. In 2020 even in middle of pandemic Iowa actually created 144 new registered apprenticeship programs. Outstanding. Over 7,700 active apprentices. 3,000 new apprentices and almost 1,500 completed program. Total active 811 members. Awesome economic news.

Moving Carroll office to Denison. Open January 2021. Worked with local board and locals. Job core in Denison and great partner.

National Apprenticeship week begins 2nd week in November. Webinars on background, information on how to start, use of employers who have programs and using successfully. Utilizing social media and videos to get word out. Events at IowaWORKS offices.

Jessica Dunker – I got opportunity to participate in FRI COVID fund grant process. Process was beautiful. Streamlined and easy to under. Kathy Leggett did an awesome job. Really beautifully put together quickly and easy to understand. Thank you really for a job well done.

Director – Thank you Jessica, I appreciate that.

Discussion on appeal process by Lynn Schreder, Chair.

- Introduction of Ben Flickinger as attorney for the board. Mississippi Valley selected SECC to be provider for youth services program. Selected SECC appealing decision of Mississippi Valley Board in their choosing REESA CARE as being provider. Board received appeal. Reached out to Ben and talked through it. Discussed couple of ways to handle appeal and consulting with counsel what we would like to do, read you. Move to transmit appeal from SECC to DIA for assignment to an ALJ to act as providing officer and draft proposed decision and telephonic hearing and decision to become final unless someone asks this board for further review.
- Ben – Kind of a vendor appeal. DIA handles these matters all the time, very knowledgeable, and can handle fairly quickly and straightforward. Judges can make initial decision as opposed to getting 25-30 votes from the SWDB. It can then be a decision from neutral fact-finder and then if needed it can be appealed to the SWDB board.
- Lynn – We need a process established. This is one little piece that needs to be buttoned up. After consulting with Ben it made sense to proceed with this process, see how it goes, how timely and getting results. Then move forward for official process with this board. Move to have process underway and see how it works out and then have it formalized.
- Kelly Barrick – How often does it happen? I have been with board for 2 years and never dealt with an appeal.
- Ben – My understanding that this is the first one. Mississippi Valley workforce area is the Guiney pig. Department of Labor changed its' guidance to the state and changed this process. Don't expect many of these moving forward but may become more common. This is the first and why there are not rules in place yet.
- Lynn – Motion to transmit from SCC to DIA.

7.1 -- ACTION ITEM

| ACTION | 1st | 2nd | Unanimously Approved |
|-----------------------------|-----------------------|-----------------------|-----------------------------|
| Approval of appeal process. | Quentin Hart | Emily Wharton | X |

Updates on Local Workforce Development Areas and WIOA System Transformation/Compliance by Division Administrator, Michelle McNertney, Iowa Workforce Development.

From July meeting effective 7/1 we have 9 areas in Iowa and making wonderful process in becoming WIOA compliant. All executed shared liability agreements, all designated fiscal agents, complete Fiscal Agent training, 5 out of 9 have been certified and seated boards, other 4 are close and in the next couple of weeks will have all 9 compliant. Providing comprehensive training on – completed 5 trainings so far with help from Maher & Maher. Local boards all in the process of completing RFPs for service providers. All going through that process and should have RFPs complete and selected by January 1. By 1/1/21 will be distributing Title I funding. Shout out to CEO and staff they have done monumental amount of work this year, tremendous amount of work and effort and we have come a long way. Next steps - complete local area. Bulk of work shifts from CEOs to the local board taking control and – completing that in the next month after providing training. Work with local areas for procurement. Other areas are already going it and some slower and given extra time to become compliant. Everyone is making progress. Starting January completing comprehensive monitoring in all local 9 areas. Will have programming for 2021.

Lynn – I can sense the enthusiasm. Training they have been provided and it is exciting.

Director – Echo that. Michelle and team have done great work. Local officials taking ownership and operate way always designed to operate and be successful in meeting local area needs. Also say hello to Ben. Worked with him at ICRC. Tremendous attorney, very bright and an asset to this board.

Ben – Thank you for that.

Michelle – Most know and have worked with Maher & Maher who we have been utilizing. Tremendous asset to us in helping us accomplish all tasks. Extended contract with Maher & Maher for support to the local areas through December 2021. Asked for additional training for new SWDB members. Continued training around this board and what this board is for. Excited to continue to work with them and a big help.

Discussion on WIOA Core Program by Division Administrator, Michelle McNertney, Iowa Workforce Development.

Policies we need to issue jointly. Drafted with team from all of those agencies. Designed to allow local workforce areas to achieve their next goals. Local planning, submit and review. MOUs and One-Stop Delivery System. All being jointly issued by agencies. Reorganization to be added to governance policy. Overlooked at the time and needs to be added. All published for public comment. No comments received back.

ACTION ITEM

9.1 -- ACTION ITEM

| ACTION | 1st | 2nd | Unanimously Approved |
|--|-----------------------|-----------------------|-----------------------------|
| Approval of WIOA Core Program (Titles I, II, III and IV) Policies for Local Planning, Reorganization Plan, Characteristics of the One-Stop Delivery System, Memorandum of Understanding. | Quentin Hart | Jay Iverson | X |

Lynn – Acknowledge and congrats to Director Townsend on appointment to US Dept. of Veterans Affairs Advisory Committee for Minority Veterans.

Director – Excited to be appointed to this committee. Want to bring what we are doing to Iowa to the table and it will be helpful for the national scale. Thanks and I am really excited.

Lynn Schreder – Thank you for attending. Next meeting set for February 19, 2021.

Director – if anyone needs anything, feel free to reach out to me. Shelly will send out benefit summary document. Information is also on the website.

Lynn Schreder - Do not forget that our Board has a website at <https://www.iowawdb.gov/>.

MOTION

| Motion to Adjourn. | 1st | |
|---------------------------|-----------------------|--|
| Adjournment at 12:03 p.m. | Jay Iverson | |

Respectfully Submitted,



Shelly Evans, Board Administrator



Lynn Schreder, **Chair**