



SWDB BOARD NOTES

Date: 2/13/26

Location: ZOOM

Minutes

Iowa Workforce Development Board Meeting

February 13, 2026

11 am – 12:00 pm

ZOOM

Agenda item 1. Call to Order

Chair Teresa Hovell called to order the meeting of the Iowa Workforce Development Board (the Board) on February 13, 2026, at approximately 11 am.

Agenda item 2. Roll Call

Members in Attendance

1. Jane Dufoe, Designee for Governor Reynolds
2. Dawn Driscoll
3. Beth Townsend
4. Stacy Cervenka / Keri Osterhaus
5. Brandy McOmber
6. Teresa Hovell
7. Kelly Barrick
8. Jack Hasken
9. LuAnn Scholbrock
10. Jessica Dunker
11. Nick Glew
12. Astra Ferris
13. Charlie Wishman

14. Jason Shanks

15. Amy Gieske, Designee for Director McKenzie Snow

Members Absent

1. Barb Kniff McCulla
2. Scott Naumann
3. Brad Elliott
4. Ofelia Rumbo
5. Carrie Duncan
6. Tiffany O'Donnell

Shelly Evans called roll and advised Chair Teresa Hovell that quorum was established.

Agenda item 3. Approval of Agenda

Chair Hovell called the next order of business which was the approval of the meeting Agenda for February 13, 2026. The agenda was previously emailed to the Members of the Board.

- ACTION ITEM: Motion to Approve the Agenda for 2/13/26.

Jason Shanks motioned to approve the Agenda and LuAnn Scholbrock seconded the motion. Members of the Board in attendance voted on the motion by voice vote, which carried unanimously.

Agenda item 4. Approval of 12/5/25 Minutes (Attachment 1)

Chair Hovell called the next order of business which was the approval of the meeting Minutes for December 5, 2025. The minutes were previously emailed to the Members of the Board.

- ACTION ITEM: Motion to Approve the Minutes for 12/5/25.

Dawn Driscoll motioned to approve the Minutes and Astra Feris seconded the motion. Members of the Board in attendance voted on the motion by voice vote, which carried unanimously.

Agenda item 5. Welcome by Teresa Hovell, Chair

Chair Hovell welcomes attendees.

- Welcome to our February meeting.
- Housekeeping items: if you are not speaking, please make sure you are on mute. If you do speak, we appreciate you having your camera on so we can see you.
- Welcome to Jane Dufoe who is the Governor's Education and Workforce Policy Advisor. Welcome to the board. Excited to have you with us to share your knowledge and advisement as we move forward.

Agenda item 6. 6. Discussion on appointing Vice Chair for SWDB by Teresa Hovell, Chair. (Bylaws, Article VI — Officers and Duties, Attachment 2, page 2)

Chair Hovell opened discussions on nominating and appointing a vice chair.

Your packet provides Bylaws of the board. My terms expires in May. We need to fill the vice chair role. The vice chair needs to have one year served on the board and be a business representative. It is a two-year commitment. Part of being in the vice chair role, you will also sit on the Executive Committee. I can tell you that we have the best support team I've ever worked with, Shelly and Michelle. They are there to support and take care

of really the heavy lifting. Anybody who is interested in being vice chair or who has a nomination, please speak up.

Jack Hasken – I would like to make a motion to appoint Kelly Barrick. She's excellent on our board. She is a very smart individual and committed to our workforce board. Whether or not she accepts, I'll leave that up to her. Thank you.

Kelly Barrick – not the right time for me to accept but I appreciate the opportunity.

Beth Townsend – Teresa we could circle back and see if we can talk someone into taking this role. Teresa set a high bar, and I have no doubt LuAnn is going to do a great job as well. This is important work. Teresa is exactly right, the support staff that you have in Shelly and Michelle and just the whole IWD team so it will not be a huge demand on your time. It is going to allow you to participate in setting policy and strategy for this. Soon there's probably going to be a lot of opportunities to do that.

Teresa Hovell – we will circle back. If you could email Shelly if you are interested or have a nomination we can vote in our ay meeting and LuAnn can lead that vote. I'm happy to answer any questions. The previous chair did that for me.

Jack Hasken – I ran as Vice Chair under Jay, and I enjoyed that role. You do get behind the scenes and it is an important role. Staff are excellent at IWD.

[Agenda item 7. 7. Discussion of Chairs for SWDB Committees by Teresa Hovell, Chair. \(Bylaws, Article VII — Committees - Attachment 2 – pages 2-3\)](#)

Chair Hovell opened discussions on nominating and appointing committee chairs.

Created 3 committees by merging others. Iowa Plains chaired by someone in their local district. Need support for DA, Systems and Policy and Pathways to Employment. At our last meeting We had some incredible conversation about realignment of our committees. We have the committees that will remain:

- Executive committee which will stand, and that includes chair, vice chair, and then five other members of the board can participate.
- Iowa Plains committee which is chaired by someone in their local district.
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Created 3 new committees by merging a few of the others.

- Disability Access Committee.
- Systems and Policy Committee.
- Pathways to Employment Committee.

We need to put somebody in the chair role so they can start to develop what that will look like, gather their members and, and start to move forward. The first committee is the Disability Access Committee. I would ask whether there is anybody who has a passion or feels led to take on that committee. Does have to be a board member but other members do not.

Brandy McOmber - I would be happy to serve as chair. I was serving as the interim. I would be happy to continue that unless somebody else objects.

Teresa Hovell - thank you, Brandy for Is there anyone else who would like to be considered? With that, is there a motion to appoint Brandy Macomber as chair of the Disability Access Committee?

- **ACTION ITEM 7.1: Motion to Appoint Chair of Disability Access Committee.**

Dawn Driscoll motioned to nominate and approve Brandy McOmber as the Disability Access Committee Chair and LuAnn Scholbrock seconded the motion. Members of the Board in attendance voted on the motion by voice vote, which carried unanimously.

Teresa Hovell - The second committee would be the Systems and Policy Committee. If anybody has a passion to lead that group, please speak up, or a nomination perhaps of somebody they feel would be good.

Jack Hasken - I will take that position. I was the former chair of the Systems and I'll take on that policy too. My term is up April 30th of 2027. Is this a, is this a one-year term?

Teresa Hovell - Michelle, I'm going to lean to you. Did we put a limit on the the term of the chair?

Michelle McNertney - Actually, I do not believe the Bylaws speak to any length of time related to chairing a committee. So, it could be one year.

Jack Hasken - Yes, I would take on that responsibility.

Teresa Hovell - Great. Is there anyone else with an interest or a nomination? Is there a motion to name Jack Hasken as chair of the Systems and Policy Committee?

- **ACTION ITEM 7.2: Motion to Appoint Chair of Systems and Policy Committee.**

Dawn Driscoll motioned to nominate and approve Jack Hasken as the Systems and Policy Committee Chair and Jason Shanks seconded the motion. Members of the Board in attendance voted on the motion by voice vote, which carried unanimously.

Teresa Hovell - our third and final committee is Pathways to Employment. A quick overview, the committee shall provide subject matter expertise to align workforce strategies to assist individuals with barriers to gain the skills, education, and resources they need to find gainful employment, while ensuring our employee employers have a skilled workforce needed to grow opportunities in Iowa.

Jessica Dunker - I would be willing to serve on that.

Teresa Hovell – okay Jessica. Unless someone else wants to, Is there anyone else with a passion or drive to, to lead that group?

▪ **ACTION ITEM 7.3: Motion to Appoint Chair of Pathways to Employment Committee.**

Dawn Driscoll motioned to nominate and approve Jessica Dunker as the Pathways to Employment Committee Chair and Kelly Barrick seconded the motion. Members of the Board in attendance voted on the motion by voice vote, which carried unanimously.

Agenda item 8. Discussion of PY26 WIOA Unified State Plan Modification by Michelle McNertney, Executive Director of Iowa SWDB ([Link to Iowa WIOA Unified State Plan Modification, Attachment 3 - Executive Committee notes dated 1/27/26](#))

Michelle McNertney opened discussions on the PY26 WIOA Unified State Plan Modification.

We have been working on modification since last summer. We did draft and consultation in the fall. The updated plan was approved at our December meeting.

Due to the government shutdown, we did not receive guidance from federal partners until January 26. At that point our plan had been out for public comments for two months. We found out after the fact that our interpretation of the board membership did not meet USDOL as they are requiring a unique member to sit it on the board.

Drafting and consultation occurred in the fall of 2025. The board approved the draft for public comment in December. Due to a federal government shutdown, formal guidance from federal partners was delayed until January 26, 2026. Most federal requirements have already been addressed; however, two updates are required for compliance. The biggest change related to the composition of this board. It is very clear that this must be addressed. The current IWD bill is going through legislation, a change to bring the membership into compliance with state law. This will add four members.

- Adult Education and Literacy seat – State Director of Adult Education and Literacy
- Two business seats
- One workforce/union/CBO seat

Adding one member throws off the ratio. Bill has passed out of committee. Membership will change from 22 members to 26 members and bring us into compliance by July 1. The WIOA state plan will then be compliant.

The other required change is regarding Workforce Pell Grants. Federal partners required the state plan to address how Iowa will implement Workforce Pell Grants. In response broad language was added expressing Iowa's commitment to implementing Workforce Pell grants as soon as possible, despite limited federal details. State partners, including the Department of Education and the Governor's Office, are participating in a cohort through the National Governors Association to support implementation efforts. Details remain limited at the federal level, so plan language is broad but proactive.

The Executive Committee met on January 27 and acted to ensure timely compliance with updated federal requirements. The revised plan was then posted for a required 30-

day public comment period ending February 26, with final board approval scheduled for a virtual meeting on March 2 ahead of the March 3 submission deadline. It will be very important for us to have a quorum at that March 2nd meeting. Essentially that was the need for the Executive Committee because we are on such a tight time frame that we didn't really have a choice but to wait for the full board meeting today to discuss those options.

- **ACTION ITEM:** Motion to approve draft PY26 WIOA State Plan Modification.

Jack Hasken motioned to approve draft PY26 WIOA State Plan Modification and Kelly Barrick seconded the motion. Members of the Board in attendance voted on the motion by voice vote, which carried unanimously.

Agenda item 9. Discussion on impact of Artificial Intelligence on Iowa Jobs by Ryan Murphy, Labor Market Information Division Administrator, Iowa Workforce Development.

Ryan Murphy opened discussion on the impact of Artificial Intelligence on Iowa Jobs.

Before we start, I'd like to just preface this by saying that I am not an expert in AI. I'm not a futurist. I'm sure there's people on this call that have more experience with AI than I do. Hopefully, this at least sparks discussion and gets you what this may look like in the future on our radar. If you have a question or during this presentation, please interrupt me and we can talk about it, or you can save it for the end too. With all my caveats, let's jump in. I use AI to start my presentation. I asked AI what it is, and I used a couple of tools. Microsoft has their co-pilot tool, Google uses Gemini. For the most part what AI does is it uses math computation to mimic, to act like humans, to make decisions, and it's very complex. I'm not an expert. My background is not in computer science. There's no doubt this is going to impact the workforce, the economy for years to come. Couple of things it does relate to mimicking humans is learning, it learns. AI today is only going to get better tomorrow and the day after that and the day after that. The more data we feed it, the more information it gets, the better it gets. reasoning, able to make decisions, solve problems, perception, take in information, sounds, visualize things, and turn that into other forms of media, language, understanding human language. Google Translate and all these other products that are developed using translation between different languages across the world. Autonomy acting independently on its own. See the videos of robots doing flips and running up different obstacles, self-driving cars. Generative AI is the one that gets a lot of attention related to the things you can create using these tools like co-pilot and chat GPT. If you watched the Super Bowl commercials, it felt like 60% of them were made with some type of AI aspect to it, whether it was polar bears drinking Pepsi or Ted Danson looking like he was still in Cheers. Everybody kind of went back in time. Some examples of how we use this every day. If you use Siri and your Apple products, Google Assistant, Alexa with Amazon products, every time a new video shows up with your Netflix or you're on TikTok or X or Facebook. It's using these algorithms and this machine learning to try to customize the things that you're interested in, whether that's advertising or videos or music. Generative tools with co-pilot Gemini, you see videos that are made and you're like, what the heck? That can't be real, sometimes you hear stories of people haven't explained to people like that's not a real thing, it couldn't have happened but sometimes it's really hard to tell and it's only getting harder. Autonomous systems, we talked with self-

driving cars, robots, drones, things like that. I wanted to give an example of using one of these AI tools to generate a graphic design. Again, I'm not an expert in AI, I don't know how it works. I'm not good at using it but I was able to create these two pictures within 90 seconds. I told Microsoft Co-Pilot to give me a welder working in a factory with all of the appropriate safety equipment and make it a photorealistic picture in the first one at the top, it produced that very quickly. I don't know if it's very accurate. It's an individual welding next to rubber tires, but again somebody who knows what they're doing can do a very good job at this. Then it asked me how would you want to improve this? Do I want more details in the background? Do I want to add braining to the factory, different angles of the picture. It's asking me what I want then followed it up with, hey, can you give me the same picture but in a Norman Rockwell style painting, I did ask for special sparks in my request because welding is like the only job where you get to have fireworks within your pictures, so that's why it's always in stuff. This is what I came up with and I did this in 90 seconds. If somebody who knows what they're doing with their prompts and telling AI what to do, can really do amazing things, So I would put down some tasks. AI has thousands of tasks it can do. These are very common knowledge things, but like graphic design, which I just did, um, customer service with chatbots where you call into a call center and you talk to a bot before you talk to an agent before you talk to an individual, depending on how complex your issue is with whatever you're needing. Data entry. Within the LMI division we're using co-pilot to do some coding of survey data to occupations in industry based upon survey data that we get from phone calls to 12,000 lowans every year. It really speeds up our process, report writing summaries, like a summary of this meeting. Computer programming codes, scheduling, resume screening, job interviewing. I was talking with a woman at one of my kids' basketball games the other day, and she said that she had an interview, a job interviews that day but did not talk to a person. She talked to some type of AI agent, Job interviewing, there's resume screenings, scheduling work for employees. We talked about language translation. I've read articles related to manufacturing, how to make sure that things are quality assurance, products, inventory, tracking and ordering as needed, things like that. Again, these are, there are thousands of things it can do. I subscribe to some Google alerts related to Iowa jobs or jobs in general, just so I'm trying to stay on top of what's happening out there in the labor market and the economy. Almost every day I get an article that's related to AI. Depending on the day, it will depend on whether it's an article about how AI is going to take all of our jobs or it's going to just create jobs or somewhere in between. The left side are coming of the jobs that have recently, or articles have recently come out with those headlines. On the right are the ones that talk about job creation or job shifting, right? MIT study finds AI can replace almost 12% of the US workforce. AI hiring is here and it's making companies and job seekers miserable. On the flip side of that you've got this job has become the ultimate case why AI won't replace human workers. That was specific to radiological techs who are reading and scanning. It's not a job killer, it's a job shifter, so. There's a lot of back and forth on this. So is it a job replacer, job tool, or both. Just want to give you a couple of examples I've read about in the last month that's really interesting related to jobs, As a job replacer, we talked about it, you call in to a call center, you have a problem with the product or service, and you want to talk, and you end up talking to a bot or an agent at first. That potentially is a job replacer. Depending on what that problem is or how often or how complex the issue is and how these tools get better as a job tool, I just read an article about a woman who had been shot in the face, and it really mangled her jaw. Prior to that the surgeon would need to manually build a new jaw for that individual and replace it and it would never be perfect, and there's always imperfections. Thanks to the ability for AI to read the CT scans. They were

able to make a plan, a model using an AI tool to send to Florida for 3D printing and then have it come back and use it and it's nearly perfect. I guess this technology has been around for about 10 years, but the ability to do it would take you months to do it prior. Now they can turn that around in weeks. That's an example of just how it enhances your job. I think the other thing we can relate to scheduling, ordering, and summarizing data also is a tool, it's a job enhancer. It gives you the ability to be quicker and more efficient with your time, focus on larger tasks. There's very limited data related to how AI is happening in the workforce. What I'm showing now is one survey that the census does every 2 weeks across the country and it's a business poll survey and they've added some questions related to AI use and future AI use of employers. We are looking at a chart of AI use in the last two weeks. Start is November 30, 2025. I think there was a break there due to the federal government shutdown, so that's why it starts there. You can see roughly under 20% of employers across the country say they've used AI in their business in the last two weeks. You're starting to see that increase over the last couple of months, Now, the orange line is what they expect to use in the next 6 months. Are they going to increase that usage or start to use it, and over 20% roughly 23%, give or take. Now if you were to look at the industries that are being using AI, it varies quite a bit. The information industry, video industry, movies, music, newspaper, computer, structured employers in the last two weeks, 41% said that they used AI. Followed by professional scientific and technical services. A lot of accounting firms, legal firms, things like that, are using AI, so one third of them. Educational services followed by finance and insurance, 32% manufacturing, 13% retail trade 13% as well. At the other end of the spectrum, the lowest reported usage of AI by industry, agriculture, forestry, and fishing, followed by transportation and warehousing, and then accommodation and food services, which is at 8%. I should mention the mining and agriculture were at roughly 5%, so that they were using AI in the last two weeks, quite a bit of difference. The breakdown by state across the country and employers' usage of AI, Iowa is at the lower end of that spectrum at 13.2%. The Western states responded at using it at higher rates, and then a couple of the gray states are Alaska and North Dakota did not have enough data to report on, so those are, those are grayed out. It gives you a perspective of what employers are telling us across the country. AI job exposure is going to be important to understand moving forward in the future exposure is the percentage of tasks that AI can do that a job can do, the overlapping, skills and abilities, it doesn't necessarily. Let's talk about automation. That's kind of the job enhancer or the replacement that we talked about. Can it do all the things that an individual would do in that job. Augmentation is the ability to enhance what's being done there or work as a tool for that job. You know, target roles, high exposure jobs tend to be white collar, cognitive-based or administrative roles like software engineers, tax preparers, customer service, legal work, executive secretaries, things like that where there's transactions of information. To think an important part of that is to understand that AI exposure doesn't necessarily just mean job loss, it means how AI is going to impact the job. Some patterns related to AI job exposure versus high exposure versus low exposure. High exposure is information-based knowledge work, routine cognitive tasks, information, transactions, packing, passing back and forth. Examples of like budget analysts, technical writers, web developers, telemarketers, paralegals, things like that. Low exposure or physical labor, manual trades rules requiring or requiring high emotional intelligence or complex judgment. For low exposure, the more you use your hands, your back, and your feet, generally speaking, the lower exposure you have to AI. The more you use your hands and your head, kind of like I do for typing, like that, I would have higher AI exposure in my job. Um Examples of the firefighters, nursing, skilled trades, protective services, security, coaches, plumbers,

electricians, things like that. The Brookings Institute just released a report at the end of January about AI exposure but also adaptivity of occupations to that AI exposure. If you're impacted by a job placement, how likely are you able to adapt? It's a very thorough report. I'm not going to go into all the weeds of it, but I do want to touch on the exposure part of that. To the right there you'll see a couple of, I snagged a couple of quotes out of there related to across the country, 6.1 million workers, primarily clerical and administrative roles lack adaptive capacity to change jobs. A very high portion of those at 86% are women. Geographically speaking, AI exposed occupations with low adaptivity capacity make up a larger share of total employment in college towns, state capitals, particularly in the Mountain West and Midwest. They had a recommendation for policymakers ready to that adaptivity to concentrate on those geographical areas. There are some other things that go into demographics that may be challenging for folks, included in that report is this chart. I don't want to dive into it, there's a lot of things going on here, but I don't want to get too far into the weeds. Focus on the bottom x axis here is the AI exposure index. This shows the farther you are to the right on this graph. The more likely you are going to be exposed to AI. We talked about secretaries and customer service reps. I know up here are some computer related occupations in blue. Just for knowledge, the Y axis is that adaptivity score that we talked about. Now I want to talk about everything over here to the right because these occupations have the highest exposure to AI in the future. included also within that is they did provide a geographic mapping of where AI adaptivity could be challenging and an index for that. As you can see in the southwest in the mountain ranges, which they talked about earlier. I'm going to zoom in a little bit here on Iowa and Show you what their predicting for the state. Des Moines, Ames, Iowa City, that's what they mentioned when they mentioned capitals and state universities and colleges. Some of the highest vulnerability scores by these occupations. This is a map of our metros, micropolitan areas. A county population of 10,000 to 50,000 in between. They expect there will be some areas of the state impact that have fairly high vulnerability scores. Do you want to clarify if it's in the white, it doesn't mean that there won't be impact. It just means that it's not a metropolitan or a micropolitan area. So, I'm going to go back real quick and we talked about these high exposure AI jobs over here on the right. We looked at these jobs and we applied that to our employment estimates for the state of Iowa by occupation. Included in those highest jobs that have the highest likeliness to be exposed to AI whether that's through replacement or augmentation, Customer service, almost 30,000 jobs, executive secretaries, 4500, credit counselors, loan officers, public relations specialists. There are a lot of clerical, a lot of business transaction operations and occupations within this list. This is only in the top 20 and you can see for the most part, these are very well-paying jobs ranging from \$70,000 to. \$80,000 a year. We also looked at the lowest exposure to AI by job which is over here on the left of the graph, and we applied that to Iowa's occupational estimates. We talked about the physical labor type of jobs where you use your hands, your back, and your feet, low exposure, index ratings, janitors, construction laborers, butchers, meat cutters, dishwashers, electrical power line installers. A lot of construction work within here, a lot of physical labor type of work as well, I don't want to take up the whole meeting. I think we could spend a whole day talking about these things, but, we wanted to get it, start having those conversations and getting it, get it on the radar because depending on what you read it, we're going to see these changes happening in 5 years and up to the next 30 years. We need to start preparing and planning for that. Any questions, comments for people who know more about AI than I do, that would be great.

Astra Ferris – I had opportunity to listen to AI and effects on AI and the workforce. Discussions in the mid-to-late 90s about the internet taking jobs. Looking at it now, it added 2.4 jobs for every job that was replaced and contributed 2.4 trillion dollars to US GDP. AI may have both disruptive and growth and it is interesting to see how the next few years and the trends.

Teresa Hovell – interesting to see how AI impacts training of future workforce and how trends will develop. Professors are attentive to work being turned in to see if they used AI. An interesting evolution of training and education catches up to what the business side is expecting.

Jack Hasken – the power demand for AI is unbelievable. WPPI that sells power in Eastern Iowa couldn't keep up with demand. AI companies must provide their own power. Fascinating that it's got the energy companies nervous. The market yesterday was nervous about what AI is going to do to all industries. Uncertainty is not a good thing. Very good presentation Ryan. Being on this board we need to be in the know on the latest trends. My son is a fireman, and I agree there are certain jobs AI is not going to take over. Wait and see thing.

Ryan Murphy – a lot of things yet to be determined. Employer adoption and how that happens is still evolving. We don't have a lot of great data sets but thinking in my division on data vs. usage. Thinking about adding questions to the labor shed survey for Iowans aged 18 – 64 to track how AI is being used, enhancing performance, and usage trends. Plan to monitor trends in unemployment insurance claims and other indicators to better understand AI's effects on employment and workforce dynamics.

Nick Glew – AI exploratory group meeting every month. Get equipped with right licenses to make sure financial institution is using the correct platform. Do interesting things that may help us be more efficient, but our biggest challenge needs someone internally to be the AI person. Teaches us how to integrate and use across the company. Found and experimented with different tools that allow a credit analyst to be more efficient. Can use AI to extrapolate data from a tax return and put it in the exact format of charts that we use when we're underwriting a commercial loan. You can do interesting things like that that may help us be more efficient. The biggest challenge moving forward is this idea almost need to have someone internally to really be the AI person that teaches us how to integrate, teaches us how to utilize it across the company. Like that's that would exclusively be their job. Struggle, dabble, and try to learn. Internal processes haven't changed in a huge way yet. Adoption rate is intentional but not quick. Interesting to be a part of.

Charlie Wishman – I'm probably in minority when it comes to my view. AI is not inevitable. Not just what people in San Francisco or Silicon Valley come up with. We are all at the mercy of this. Good presentation based on what we know. Problem is we have 56 different definitions of what AI actually is. No shared definition to work off. It can be all different kinds of things. Massive conceptual thing, mean chat GPT for some. I do want to push back that this is not going to take blue collar jobs. I've seen a robot AI build an

entire solar panel array. You can't tell me this won't affect trades. Will affect everyone. Up to us as a society to decide how we want it to go, or we can let the billionaires decide how it will go, or we the people can try to slow down or stop driverless cars. Figure out where it is going before we get too far down the road. I am equal opportunity offender on this. I went to California last week and Governor Reynolds as well as Gavin Newsom have the same on regulation of AI which is to do nothing. We have the ability to affect. We don't know how to use it but make our employees use it for some, others think it's the hottest cool thing. I'll shut up. Humans can affect this. Things are not inevitable, so we just have to jump on it and use it and make our employees use it when we don't know how to use it. We can do something about shaping the direction of this.

Ryan Murphy – clarify I don't think blue collar jobs will be impacted.

Charlie Wishman – going to be more than people realize. Some in building trades think it won't affect them, but they are wrong.

Jack Hasken – as long as AI cannot control the nukes I will sleep better at night. Has to be human interaction. Movie I'm trying to think of that had Hal, the guy, he was an AI and controlling everything. It was made in 1968. Jack and Stanley Kubrick, Kubrick had figured out a hell of a lot better than Elon Musk does today.

Jessica Dunker – It's funny because I have often said that AI companies should be hiring movie makers who seem to be able to get ahead of all of us by 30 or 40 years who have ideas on what to do this with creative things. In our industry, I'll just use chat GPT because it's something most people are familiar with. I have an operator. who has a restaurant in Council Bluffs, and he wanted to make his menu be a dig at Omaha. He asked Chat GPT to come up with names of sandwiches that would be digs at Omaha. And it just went beep, beep, beep, beep, right, and came up with very clever sandwich offerings, which he then refined. Then he asked for 5 ingredient sandwich recipes for the digs at Omaha that he had chosen and boop boop boop boop boop boop came up. I mean, for an operator that's working in his restaurant every day, that was weeks of work that turned out to be a really excellent tool and the message in our industry that we've had to share is you have to become a master of it before it becomes a master of you. Some of it is inevitable, some of it isn't, but you, it is, I think, as a workforce development board, we do need to look at how to get out in front of helping people see the possibilities within their industries and potentially deploying it ourselves. If I'm not mistaken, the Iowa Tourism Office has already done a nice little AI tool on their website that works with you and talks back and forth with you. Some of the things we haven't thought about are AI but probably are some of the bots that talk to us or some of the little helpers that we see. There may be some possibilities in that we even look at that as an organization to help people through a job, job process, right and engaging back and forth with them.

Beth Townsend - it is the future. Yesterday we were out at Camp Dodge talking to General Osborne about some areas of collaboration and one of his staff asked about AI. To Ryan's earlier comments, little anecdote about the woman who was doing the interview with an AI bot as opposed to a person. Concern from General Osborne's staff was if AI is reviewing veteran resumes, they're going to be even less likely to be able to translate those resumes into any meaningful experience or qualification for jobs. What can we do to make sure we're helping veterans demilitarize their resume, and to make

sure that the AI catches up to recognize the value of the experience that they are bringing. Maybe they don't build widgets in the military, but their leadership, training, adaptability, critical thinking skills, all of that is demonstrated in the resume, and we need to make sure that AI in these AI review tools that businesses are using account for that. I think one of our opportunities as the SWDB moving forward is to talk about how we are training employees and employers how to use AI appropriately. What's the governance look like to Charlie's point about AI from a government perspective and how employers use it in the workforce. How we are introducing AI education into our education systems. Whether we like it or not, it's here and we want to make sure that we are planning for that in our K-12 systems and our post-secondary systems. To be fair it's developed so quickly that no one's really caught up in any meaningful form either in the workforce or education. Nationally I think that's something we need to keep our eye on in the future and be talking about as a board. How can we help with these types of issues and even if all we do is bring them to people's attention to start putting together some plans or strategies or that kind of thing.

Ryan Murphy – my last disclaimer is if you are using AI, please double check its work. It's not to the point where you can trust it 100%. I just read the story about the police department in Utah who's using it to write its police reports, and they're just testing it, but it caught off the officer's camera, the sound of a Disney movie playing in the background, and in the report wrote that the Officer shape shifted into a frog, so it's not perfect yet.

Jessica Dunker – Double check its work. I've made charts and chat GPT that will have 52% and it'll be the smallest pie chart or smallest piece on the pie.

Teresa Hovell - it's only as wise as the data it has and not even that wise half the time.

Astra Ferris – I have a daughter who's a senior in college. This is something I would have never thought to use but she was recording her lectures and then asking AI to put it into a podcast simulation so she could go for a jog and study that way. I think it's interesting but definitely a different time, so we'll see.

Teresa Hovell - if there's no further discussion, thank you so much Ryan. I agree that this is going to be a continued conversation going into the future.

[Agenda item 10. Discussion on Workforce Pell by Michelle McNertney, Executive Director of Iowa State Workforce Development Board.](#)

Michelle McNertney opened discussions on the Workforce Pell Grant.

Link dropped into the chat. We received some guidance, training employment notice from the USDOL at 9:02 this morning. Very timely given our conversation about the Department of Labor releasing an AI literacy framework and encouraging us to figure out what that structure looks like about how we are educating job seekers, students, and employers.

High level overview of Workforce Pell Grants.

- Became law when H.R.1 became effective 7/1/26.
- Expands eligibility to include short-term career training programs (credit and non-credit).
- Still waiting on implementation regulations from U.S. Department of Ed.
- IWD, DE and IGOV are sharing the best practices on how to implement.

We want to dive in and take advantage as quickly as possible. Eligibility requirements:

- Programs provided by Title IV eligible institutions of higher education.
- Programs in existence for at least 1 year.
- Length must be 150–599 clock hours over 8–15 weeks.
- Programs must meet a 70% completion rate and eventually a 70% job placement rate.
- Programs must demonstrate “value-added earnings,” meaning graduates’ median earnings exceed tuition and fees after adjusting for poverty-level income.

Initial data shows roughly 50 non-credit, and 156 credit community college programs meet the basic length requirement, though further filtering is needed.

The State Workforce Board will play a central role by:

- reviewing program applications.
- advising the governor on which programs align with high-skill, high-wage, and high-demand sectors or occupations.
- meet the hiring requirements of potential in-demand industry sectors or employers.

We are in the process of developing these policies and procedures and working closely with the governor's office and the Department of Education. Hoping the policies and application process will be ready for the June 11 meeting. We are aiming to open the application process within the next few months so the board can review submissions at its fall meeting. After board recommendations, the governor will submit the final list to the U.S. Michelle closes by noting that more detailed information will be provided as federal guidance is finalized and Iowa's policies are completed. The Department of Education has final approval.

We wanted to get this on your radar. We want to make recommendations to the Governor quickly so she can provide the list to the Department of Education so it's ready for eligibility in the fall.

Director Townsend provided her report.

- Thanks to Charlie for bringing this up topic of AI and for Ryan for a great presentation. AI will likely become a focus for the Pathways to Success subcommittee
- Acknowledge Brandy McOmber is the new Director for Vocational Rehabilitation Division after previously holding the position of Deputy Division Administrator. Since April I have served as an interim, but Brandy was doing most of the work.
- Update on the \$30 million training fund originally approved by the legislature. USDOL final decision ruled last week that Iowa could not use the funds as intended, requiring the money to be placed into the trust fund. week before last and said you cannot do this and put all money back into the trust fund. After discussions with the Governor and the Attorney General's office, we notified USDOL that we continue to agree to disagree. We felt there was a pathway to approve. We are bound by their decision. An amendment was added to the workforce bill SF2411 to move the funds to the trust fund. No money in the Workforce Opportunity Fund. Governor Reynolds proposed allocating \$49 million from the online gambling fund to the Workforce Opportunity Fund in 2027. This could support employer-driven training, up-skilling, and registered apprenticeships. Hopefully we are successful in getting that type of allocation to the fund to make that money available for competitive grants and apprenticeship programs. It's early in the session and difficult to determine where we will end up.
- Department's legislative bill aims to codify the successful Reemployment Case Management Program to assure that it continues beyond this administration. The program costs roughly \$1.5-2 million annually but savings of \$50 - 100 million in trust fund. Reduces unemployment duration by 3 – 4 weeks.
- The bill also seeks to move unemployment insurance processes to a paperless system and update the SWDB membership to meet USDOL requirements.
- Apprenticeship numbers remain strong: 950 programs, 2,160 participating employers, and 9,536 active apprentices, with steady monthly onboarding and completions.
- The Business Engagement Division in Ottumwa helped Ollie's Bargain Outlet fill about 80 positions in four days through a coordinated career fair – an experience the company described as unmatched in any of its other 700 store openings. Governor Reynolds set up concierge services in 2023 to help employers use our resources.

Agenda item 12. Update from Iowa Plains Committee by Committee Chair, Kent Heronimus.

Kent Heronimus provided an update for the Iowa Plains Committee.

- I am Technical Training Manager for Interstates and currently chair for Iowa Plains.
- Strong collaboration between Title I and Business Engagement Consultants (BECs). Meeting monthly to create work-based learning opportunities. This partnership is helping employers build talent pipelines and supporting job seekers with barriers. Two success stories:
 - A Sioux City participant with significant employment barriers gained a CDL through Title I, completed on-the-job training with GCC Alliance Concrete, and is now earning strong wages as a concrete truck driver.
 - A 19-year-old in Spencer moved from part-time convenience store work to a full-time on-the-job training mechanic position at Jack Rabbit Junction after earning his high school diploma and receiving coordinated support from Title I and BEC staff.
- One-Stop Operator has improved data collection, gathering 72 surveys last month with an average satisfaction rating of 3.7 out of 4. The system also made 111 referrals in January to ensure clients access to all eligible services across all programs.
- Ensuring we are good stewards of taxpayer money and monitoring process and found no disallowed costs in this area. Demonstrating responsible use of taxpayer funds.
- Working with Summer Youth Internship Grant by coordinating with businesses to create summer internship opportunities
- Overall, the region is seeing strong outcomes for employers, job seekers, and community partners.

Kelly Barrick – thank you. It is great for you to share the best practices and something like this board could be used on our dashboard.

Teresa Hovell - Thank you for taking care of the clients that come through the door.

Agenda item 13. Public Comments.

(Public comments will be limited to 3 minutes per speaker and should address only those items on the current meeting agenda.)

No public comments.

Dawn Driscoll motion to adjourn.

Adjournment.

Chair Hovell adjourned the meeting of the Board at 12:34 pm.

A handwritten signature in blue ink that reads "Shelly Evans". The signature is written in a cursive, flowing style.

Shelly Evans - Executive Assistant to the SWDB