

**IOWA STATE WORKFORCE DEVELOPMENT  
BOARD MEETING CONFERENCE CALL  
August 20, 2015**

**APPROVED MINUTES**

The Iowa Workforce Development Board met Thursday, August 20, 2015, originating in the Boardroom of the Iowa Workforce Development Offices (IWD), 1000 East Grand Avenue, Des Moines, Iowa. Board Chair Andy Roberts called the meeting to order at 9:26 am.

Voting Board members in attendance included: Chair Andy Roberts, Sue Kmet, John Krogman, Robert Gilmore, Ken Sagar, Norene Mostkoff, in person. After roll call was taken Dee Vanderhoef attended.

Non-Voting Board members attending: Drew Conrad, Steve Ovel, Jeremy Varner, Senator William Dotzler came in after roll call, David Mitchell After roll call was taken Representative Senator William Dotzler attended.

Board members absent were: John Krogman, Stacey Anderson, Gary Steinke, Senator William Dotzler, Senator Jake Chapman, and Representative Mary Ann Hanusa

IWD staff in attendance included: Director Beth Townsend, Joe Bervid, Kelly Taylor, Paul Mikkelsen, Gary Bateman, Courtney Greene, Ben Humphrey, Deb Dowell, Joe Cortese and Diana Sisler.

Roll call was taken and quorum was established for this meeting

Ed Wallace announced Representative Greg Forristall would be replacing Representative Ron Jorgensen.

**Approval of the Meeting Agenda**

**Motion:** K. Sagar moved to approved the August 2015 Agenda. N. Mostkoff second. **All Approved. None Opposed. Motion Approved.**

**Approval of Meeting Minutes**

Minutes from the May 21, 2015, State Workforce Board meeting were previously provided for review in the board packets.

**Motion:** S. Kmet moved to approve the minutes from the May 21, 2015, State Workforce Board meeting. N. Mostkoff second. **All Approved. None Opposed. Motion Approved.**

**Director's Report – Beth Townsend**

Director Townsend introduced new IWD staff; Joseph Cortese new worker comp division commissioner; Courtney Greene new communications director; Ben Humphrey new staff attorney. Additional new staff to assist with the WIOA planning and implantation contract

employee Steve Ovel; WIOA project manager Debbie Dowell; WIOA business and technical writer Deana Utecht.

Director Townsend started attending regional meetings. State Board liaisons are still needed for Region 3/ 4 Spencer, Region 8 Carroll, and Region 12 Spencer/Sioux City.

Director Townsend announced the second WIOA conference to be held on October 29, 2015 at the Stoney Creek Inn & Conference Center in Johnston Iowa. Details and registration information will be announced in the coming weeks. This will assist regions with training for its local boards and WIOA implantation.

Director Townsend is conducting a nationwide search to replace the vacation COO position that is left with Mike Wilkinson's retirement. The position was posted nationally for 3 weeks. To ensure to maximize the potential for the most qualified pool of applicants the position has been posted for an additional 3 more weeks.

Director Townsend is conducting a search for the vacant PSE 4 Workforce Managers position. Currently Todd Spencer is overseeing these job duties in addition to his District manager's responsibilities.

Organizational Charts have been updated and posted to the IWD website. Fiscal Year 2016 Affirmative Action Plan has also been posted to the IWD website. Director Townsend met with Danny Homan at AFSCME. Based on input from Mr. Homan some updates and changes were made to the IWD Work Rules. DAS has approved IWD's Overtime Policy and this policy has been placed into effect with the IWD Work Rules.

Governor Branstad visited IWD office as a part of his "Get Out and Meet Employees" in June. Governor Branstad spent about 45 minutes meeting and talking with IWD employees.

Construction will begin at IWD 1000 East Grand. Updates and improvements will start with the UI Appeals Judges area to include sound proofing their offices. Emily Chafa has been hired as the new UI Appeals Manager. Emily is a very experienced DIA Appeals Judge. Prior to her experience with the State of Iowa she was an attorney for the City of Des Moines and the Director for the Des Moines Human Rights Commission.

Conference Rooms at IWD 1000 East Grand will start soon. This will begin with the Stanley, Capitol View and ICN Conference rooms.

Director Townsend asked if there would be any interest in moving the State Board Meetings to be held at different locations around the state moving forward. This would help insure the board is available and accessible to communities across the state. A suggestion for the next meeting on November 19, 2015 to be held at Hawkeye Community College at the Dislocated Transition Workers Center was made. Diana will make the arrangements and send out the information.

Director Townsend gave an update on the Satellite Offices. Fort Madison has hired and additional Workforce Advisor on August 10, 2015. This staff member will now be traveling to the communities around Fort Madison. The two new Workforce positions in Iowa City office are in the process of conducting interviews to fill those vacancies. The Decorah office is

currently conducting interviews to fill their Workforce vacancy. The Decorah office had to repost their vacation position due to the lack of qualified applicants. The Webster City offices are currently in the process of posting their vacancy.

In July Director Townsend traveled with Governor Branstad to Washington DC to meet with Iowa Congressional Delegation. In addition to this meeting while in Washington DC she also met with members of the National Manufacturing Association. This group was very interested in the advancements Iowa and IWD has been making in the areas of advance manufacturing. Their discussions surround how efforts to improve and increase the number Iowans available in the advance manufacturing fields.

On Tuesday, August 18, 2015 Director Townsend traveled to Waterloo to open the Dislocated Worker Transition Center at Hawkeye Community College. The new center was made possible thru a 3MM dollar National Dislocated Workers grant IWD received.

IWD managers' report was given by Directors Townsend.

IWD Finance – IWD has been able to reduce the indirect costs to DAS by \$700,000. Review of the FY 2016 and FY 2017 projections look optimistic.

IWD Business and Building Management – Moving forward with updates to the offices at IWD 1000 E Grand Ave offices. The renovations will begin with the Conference rooms and ALJ areas.

IWD and Home Based Iowa (HBI) are working together to hire a new HBI Director. Interviews are set to begin September 1, 2015. IWD is working closely with IDEA to improve providing information to Iowa Veterans in a more coordinate effort. IWD will be working closely with HBI to improve the HBI website.

IWD UI Appeals Division – UI Appeals are now scheduling hearings to meet the Department of Labor standards (DOL). In June 2015 IWD UI Appeals were scheduling only 9 percent of their cases within 60 days and not making DOL standards of 60 percent or higher. In August it is projected UI Appeals will meet the 60 percent standard. It is projected in September they will exceed DOL standards and schedule hearings within 60 days to 90 percent. This is a vast improvement to June numbers.

IWD ITE – Information Technologies Enterprise (ITE) has started a project with Idaho. This project is to move IWD off of the antiquated mainframe system built in 1973 that is currently in place to issue unemployment payments. This project will work on migrating to a new system and replace it. IWD ITE is also working with Vocational Rehab and the WIOA team to make sure there is a web presents. IWD ITE is on track to roll out the new Profile system.

IWD LMI – Ed Wallace has taken over management of the Labor Market Information (LMI) unit. This unit is working with the NGA Talen Pipeline Grant and WIOA. This will work towards getting the Future Ready Iowa Program rolled out.

IWD UI – For nine straight quarters UI has exceeded the DOL requirements in standards numbers.

This will be the first time that this unit has met or exceeded the DOL requirements for more than 2 quarters in a row since the mid 1980's.

Director Townsend was asked recently what she thought IWD biggest challenges will be in fiscal year 2016. This would be a good opportunity for board to also have a discussion on what those challenges will be. First, Director Townsend sees the WIOA implantation as one of the greatest challenges to be faced with for the state of Iowa. This is a large piece of legislation that has

been handed down by the federal government with no funding for the state of Iowa to support the implantation.

Second, Skilled Iowa needs to be overhauled. There has been a new Skilled Workers group put together with representatives from state agencies, community colleges and employers from across the state. This group is looking at updated it to make if more meaningful and more subjective to better service Iowans.

Third, one of the areas that are of most concern to Director Townsend is the ability to detect Fraud with in UI Claims. For too long investigation and precaution of fraud has not been a priority at IWD due to funding and staffing issue. With the Pondera system recently put into place this year will be able to help better detect possible fraud claims will help IWD overcome this issue. There will also be a focus on updated training for investigative staff. This will better help them and give them the tools to go out and actively investigate possible fraud. There will also be a focus on employer's misclassifications and employer's violations.

IWD has hired temporary staff for collections through a small grant that will run out in September 2015. In just a few months they have collected over 1MM dollars. There will be another group of temporary staff that will be hired until the end of the year for collections. There is hope that by the end of the year IWD will be able to convert some of the temporary positions into permeate positions to create a full time IWD collection specialist staff.

The unit currently responsible for the collections has been under funded and under staffed for many years. As a result of this, there is are over 11,000 inactive accounts on IWD records books that date back to 1970's totaling 54 million dollars. Today there is no legal mechanism to collect on those accounts; however IWD continues to carry that debt year after year.

Director Townsend asked the board for an open discussion and suggestions about how to resolve and to be able to deal with old debt.

As a result of the open discussion with the board the following suggestions were made:

- Robert Gilmore suggested putting in place deterrents for employers who come into Iowa and continually open fraudulent LLC businesses. Finding mechanisms within the system that would allow detection of these types of fraudulent businesses. Finding ways to keep these businesses from cheating the communities and Iowans.
- Ken Sagar suggested looking at other states that have been successful and putting into place legislation that addresses this issue.
- Senator William Dotzler supported the comments by Robert Gilmore and Ken Sagar and suggested that we need to be very aggressive moving forward with business that is purposefully using the misclassification system to cheat the system and collect thousands of dollars fraudulently. Senator Dotzler supported the idea of spending the money and efforts going forward rather than going back to try and collect from debt from the last century. Focusing on changing the culture in the future moving forward. Senator Dotzler would favor clearing the old debts and moving forward.
- Representative Kristen Running-Marquardt agrees with Senator Dotzler and Robert Gilmore to better apply resources to deter and penalize business who are acting fraudulently. Representative Running-Marquardt would like to see more education for

Iowans to assist them to better help them file claims. However, the larger issues of businesses and individuals who target Iowa for the purpose of filing fraudulent claim needs to be looked at.

- Director Townsend stated the investigative unit would use the data mining information that Pondera can supply to identify the individuals and fraudulent businesses that set out to use the unemployment system for fraudulent purposes. In addition to using the Pondera system, the investigators training would be over hauled to better give them the tools to properly go out and investigate the places and people who set out to cheat the system and Iowans. Director Townsend wants to address and focus efforts to the larger systemic issues of organizations to defraud the state of Iowa by tens of thousands of dollars.

Director Townsend will have a report to the board at the next meeting about misclassifications and research what other states have been successful at doing. She will also have staff look at reporting IWD misclassifications numbers.

### **Meeting breaks at 10:41 am for 10 minutes**

### **Communications Introduction and Report – Courtney Greene**

Courtney Greene introduced herself and gave a brief update about her background and experience. Courtney has been with IWD for six weeks and provided the board with the three things she wants to begin IWD to focus on in the area of communications.

- Communications with employees within IWD. Better aligning internal compuncions with employees with external communications. Developing Communications plans across the board for IWD in Des Moines and Field Offices.
- Doing a better job of promoting and working with the media across the state and nationally to get the IWD message out. Changing the culture of having only one person in Des Moines speaking IWD for the entire state. Shifting power into the hands of the local offices. This will better enable the field offices work to with their local media contacts to get the message out about the good things each office is doing for their community.
- Better strengthen community partnerships across the state. To change the conversation with communities and be proactive with them to let them know IWD has the resources to help better serve Iowans.

Courtney showed a short video clip she put together on Governors Branstad visit to IWD.

### **Secondary Career and Technical Education taskforce Update – Jeremy Varner and Dr. Pardeep Kotamruju IDOE**

Jeremy Varner and Dr. Pardeep Kotamruju presented to the board on Secondary Career and Technical Education (CTE).

Closing in on a core set of recommendations that are to be submitted to the Iowa Legislature prior to the 2016 legislative session. To date, the task force has discussed and finalized a revised draft definition for career academies, and explored recommendations related to career guidance and the replacement of the *I Have a Plan Iowa (IHAPI)* software system. In addition to career guidance and regional centers, points of discussion have included Intermediary Networks, Career Pathways, CTE instructor training/licensure/professional development and other policy measures. Seven Draft Recommendations have been proposed and the intent of which would be to ensure equitable access to high-quality CTE programming for all students across the state.

### **WIOA Update – Steve Ovel**

Pursuant to Section 84A.1A(5) states if a member of the Workforce Development Board has an interest either direct or indirect in contract with Workforce Development shall be disclosed to the Iowa Workforce Board in writing. Steve entered into the meeting minutes the letter to the Workforce Board dated August 20, 2015 outlining his employment with Iowa Workforce Development. He will be an employee of the agency as contracted for approximately 4 months to assist with WIOA planning and implantation project. A written letter was provided to Diana Sisler to be reflected in the records.

A comprehensive update was given to the Board outlining the work the WIOA planning and implantation team work. The team has been also working with Courtney Greene and her team developing the communication plan. Courtney's team has identified a variety of stakeholder groups that need different levels of communication on regular bases throughout the WIOA implantation process. This plan has been in place and acted upon for the past two months.

Steve provided the board with and updated to the WIOA unified plan, vision, goals and strategies document. Steve's team has been working closely with the governor's team, work groups, and stakeholders from across the state to ensure all of these groups are properly integrated into the WIOA unified plan, vision, goals and strategies going forward. This document is the foundation the implantation will be moving forward with. This document was submitted to the board for approval. Steve requested the board chairman for action from the board adopting this plan.

Request was opened to the board for discussion. Jeremy Varner made a point of clarification, the state had a choice to submit to the U.S. Department of Labor (DOL) either a unified plan or combined plan. It was discussed and the decision across the groups was to move forward with and submit to the DOL a unified plan and not combined plan for the Iowa's WIOA implantation.

**Motion:** moved to approve the recommendation for the WIOA updated unified plan, vision, goals and strategies for WIOA implantation by D. Vanderhoef. S. Kemet second.

**All Approved. None Opposed. Motion Approved.**

Steve also provided an update to the NGA Talent Pipeline initiative. Iowa is getting the final recommendations from NGA for this initiative. Iowa will implement this program referred to as Future Ready Iowa. The Governors team and IWD will be working together for an April 2016 roll out of this plan. Jeremy Varner has been providing leadership and convening meetings with an Advisory Council that is focused on Career Pathways and Sector Partnerships for the NGA/Future Ready Iowa roll out. This group also fits into the WIOA development of Career

Pathways and Sector Partnership process for the WIOA implantation plan. Additional information was provided to the board in the handouts.

At the last state board meeting the state board requested Director Townsend to have Governor Branstad submit a letter to U. S. Department of Labor Secretary Thomas Perez requesting the composition of the State Board to be grandfathered. In addition, to have the regional boards that have not already transitioned to the WIOA standards are also grandfathered. This letter was submitted by Governor Branstad and a copy of the letter was provided to the board.

Also at the last state board meeting the state board requested the Director to move forward with the regional boards Designation of Local WIOA areas and the Designation of Local Board Members. This process has been completed and provided in the handouts. There are a list of regions that have acted on these two items and met the September 4 and September 30, 2015 deadlines for taking action.

Greg Newton will provide training to the regions, regional partners and IWD staff on WIOA for 3 days on September 8, 9, and 10, 2015.

**Adjournment: Motion:** N. Mostkoff moved to adjourn this meeting of the State Workforce Development Board. Motion seconded by K. Sagar  
**All Approved. None Opposed. Motion Approved.**

The meeting adjourned at 12:21 pm.

Respectfully Submitted,



Diana Sisler, Recorder