

A History of Iowa Workforce Development

Iowa Bureau of Labor Statistics and Iowa Industrial Commission 1884 - 1914

Most people think of Iowa Workforce Development as a product of the Wagner-Peyser Act that was enacted as a response to Great Depression. Actually, the origins of the agency go back much further than that.

In the last half of the 19th Century, there were a phenomenal number of immigrant workers arriving in America, and not just the European immigrants we think of today. An 1868 immigration pact with China, the Burlingame Treaty, brought thousands of Chinese laborers to California and the West. During the economic downturn of 1873 and again in the early 1880s, nasty riots and strikes broke out over American industry hosting low-wage Chinese laborers, resulting in Congress passing the Chinese Exclusion Act of 1882. Laws were passed in rapid succession to bar the entry of other “undesirables” into the U.S., and heavy immigrant taxation was levied for those who were allowed into the country.

A quasi-fraternal labor union called the Knights Labor, one of the participating bodies in the formation of the American Federation of Labor, drafted a bill sponsored by Representative James Hopkins of Pennsylvania. The Hopkins Act of 1884 created a sub-cabinet level Bureau of Immigration to administer laws relating to the flow of alien laborers into the United States. Promoting employment for the immigrant “as to the emigrant not becoming a burden on society” was a secondary charge that would take on greater importance in the next few decades. In the beginning, the Bureau employed 1,700 men nationwide to establish and maintain a labor exchange for European immigrants heading west to settle. They also effectively directed migrant farm workers to areas of the country most in need of hired hands. Closely affiliated with the Bureau of Immigration was the Bureau of Labor, which was established in the Department of the Interior on June 27, 1884, to collect employment and labor statistics. Their first assignment was to assess the situation of immigrant, unskilled, and child labor across the United States and create reports for further study. The Bureau of Labor, later renamed the Bureau of Labor Statistics (BLS), was ordered to collect, publish, and disseminate information on employment trends, wages, working conditions, illness and injury statistics, and track the effects of immigration on the job market. This was done through gathering information from various state-run labor statistics agencies. The federal BLS also produced the first statistics on nonagricultural prices, published periodic price indexes, and commenced a very limited system of factory inspections and worker safety education.

During the 1880s, many states simply refused to participate in the BLS system. Iowa, however, was in the vanguard of the movement, becoming the ninth state to establish a cooperating bureau. The 20th General Assembly in Iowa created the Iowa Bureau of Labor Statistics in 1884 to “present reports...detailing the condition of labor in the state, including the social, educational, and sanitary conditions of the laboring classes.” The bill was sponsored by Senator Talton E. Clark of Page County.

E. R. Hutchins was appointed as the first Labor Commissioner by Governor Buren R. Sherman on August 14, 1884. The state Labor Commissioner was given powers of the justice of the peace to swear in testimony under oath, to subpoena witnesses, and to detain immigration law violators. The first Bureau of Labor Statistics biannual report to the Iowa legislature for fiscal year 1884-1885 included information on siting for new industry, a labor availability summary, a diatribe against immigration, a worker opinion section, and a brief temperance lecture by E.R. Hutchins.

At the federal level, the Bureau of Labor Statistics became an independent sub-cabinet agency on June 13, 1888. The Bureau's report of 1890 cited that in the Southern states alone there were over 23,000 workers between the ages of five and sixteen working in the garment industry, a sad commentary on the abuse of child labor in America. A populist labor and social reform movement swept America during the late 1880s and 1890s, called Progressivism, advocating for the banishment of child labor, free public employment agencies, and literacy programs for non-English speaking immigrants and the uneducated. The Progressives helped guide Congressional and BLS employment policies well into the 20th Century.

In 1888, the Iowa Annual Labor Statistics Report featured a long section on the problems of child labor in the Hawkeye state, as well as endless reports of industrial safety and mining accidents involving young workers. In the next decade, the Iowa BLS routinely reported on temperance, immoral practices in private sector employment and recruiting agencies, developed questionnaires on the character and family background of workers, wrote diatribes against unregulated immigration, and pled for the state of Iowa to establish a statewide "free employment agency". Not cutting-edge Progressivism, but certainly reflective of Midwestern thought at the time.

In 1895, the Iowa Labor Commissioner W.E. O'Brien wrote a bill sponsored by a Senator Cheshire and Representative Dowell to formally establish a free public job placement service. The plan was to provide state administration and oversight and to run the service through county auditor's offices. A central ledger book was to be kept current on job orders and placement records, while the state's larger newspapers were to be alerted every Thursday regarding new job openings. The bill was not passed into law, but an experiment was conducted through the commissioner's office using several volunteers from various newspapers and county auditor's offices. Not one job applicant was placed, and the experiment was abandoned.

In 1896, the Iowa Legislature enacted Chapter 132 of the Iowa Code which permanently established a Bureau of Labor Statistics in Iowa.

The federal Bureau of Labor Statistics was reincorporated as part of the Department of Commerce and Labor on February 14, 1903, against the backdrop of federal mediation of huge Pennsylvania miners' strikes. Worker safety legislation and solidified rights to organize were won through massive concessions and deal making with business and industry to give them parity in sub-cabinet level status.

Iowa enacted child labor laws that went into effect on July 4, 1906. A federal Children's Bureau was established in 1912, following massive public outcry over well-publicized abuses of child labor in the garment and mining industries. Feeding this sentiment was the publication of a series of shocking photo essays by Lewis Hine, a former schoolteacher, staunch social reformer, and child advocate. Hine's photographs of children, some as young as five, toiling in garment sweatshops and coal mines are considered by many historians to be among the most widely influential examples of photojournalism in American history.

Congress created the cabinet-level Department of Labor on March 4, 1913. It consisted of four bureaus transferred from the Department of Commerce: the BLS, the Bureau of Immigration, the Bureau of Naturalization, and the Children's Bureau. Its purposes included the collection and reporting of statistics, as well as to "foster, promote and develop the welfare of the working people, to improve their working conditions, and to enhance their opportunities for profitable employment." The total federal staff was 2,000 people, with a budget of \$2.33 million.

The Bureau of Immigration had been experimenting on and off throughout its history in creating a nationwide free public labor exchange. In 1913, they proved their worth on a scale out of proportion to the scope of their immigration responsibilities. A nationwide recession followed the outbreak of World War I due to disruptions in trade with Europe. A panic of layoffs ensued among steel and durable-goods manufacturers, suddenly putting two and a half million people out of work. In 1915, the federal Secretary of Labor under orders from President Woodrow Wilson took the best components of the Bureau of Immigration experiments and turned 85 of the nation's immigration offices into employment offices for the general public. Concurrently, a National Congress of Public Employment Officials was established to exchange best practices in job placement.

Within two years, the fledgling Department of Labor' job placement service was placing hundreds of thousands of workers into agricultural and factory jobs. An essential element in this endeavor was using the U.S. Postal Service to display posters to entice interested employers and jobseekers. Forms were provided at most post offices for registration with the new service. Postmasters took on the task of mailing the millions of registrations to Washington, D.C., or a local Immigration office, for job and candidate matches. Some postal staff were noted for taking part in matching applicants to local job orders. In a few circumstances, the fledgling nationwide job placement service offered round-trip train tickets for job applicants to meet with potential employers and to participate in job fairs in other parts of the country. This temporary quick-fix program was the prototype for the labor exchange service that would eventually become known as U.S. Employment Service.

The Iowa Legislature enacted the Iowa Workmen's Compensation Act of 1913. A committee spent two years researching the issue before the actual passage of Iowa's law. Various types of worker's compensation laws had been tried since the turn of the century

in the states of Washington (first state to enact legislation in 1910), Maryland, New York, Iowa and Massachusetts. All of these initiatives were struck down by the United States Supreme Court as being unconstitutional (when?). In 1917, the U.S. Supreme Court ruled that compulsory workers' compensation plans in New York (compulsory coverage) and Washington (exclusive state-fund type), along with the elective coverage plan of Iowa, were indeed constitutional. Many states began enacting their own workers' compensation legislation, and Iowa shared its pioneering workers' compensation practices with several other states. Iowa's first Industrial Commissioner was Warren Garst, appointed by Governor George W. Clarke in 1914.

In 1915, the Iowa Bureau of Labor Statistics was given the task of protecting working classes from indecency, including the task of "safe guarding worker morals by keeping toilets free of obscene writing". This project was found to be much harder than anticipated as no regulatory teeth were put into the charge.

Iowa State Employment Service 1915 – 1936

The 36th Iowa General Assembly created the State Free Employment Bureau as a part of the Iowa Bureau of Labor Statistics on July 1, 1915. During their first year of operations, the bureau reported the following statistics:

Applications from employers	454
Persons asked for by employers	931
Persons applying for work, registrations	1,535
Persons applying for work, renewals	104
Persons referred to positions	650
Positions filled	402
Per cent of applicants placed	24.52

The first federal child labor laws were enacted in 1916 after tremendous pressure and wrangling between social reform factions and commercial and business interest groups. Although signed by President Woodrow Wilson, the regulation was enormously unpopular with Southerners and Mid-Atlantic textile manufacturers. The Supreme Court struck down the first practical child labor laws in a contentious vote in the same year the law was created. In that same year, the Iowa BLS dutifully reported statistics on child labor, printed an anti-child labor section in its biannual Report on the Condition of Labor, but made no mention of the short-lived federal statute. The issue of child labor would be readdressed briefly during the New Deal, but not fully regulated until the Fair Labor Standards Act amended coverage of child labor laws in 1949.

In September 1917, Iowa entered into a cooperative agreement with the U.S. Department of Labor concerning the provision of employment services. The FY1924 annual report lists three employment service offices: an office in the Polk County Courthouse; an office in the Sioux City City Hall; and an office in the Farm Bureau office in Creston.

To better organize and streamline war production, Congress established a far-reaching federal entity called the War Labor Administration (WLA) on May 19, 1918. The leadership was composed of representatives from the Department of Labor, the Department of War, the Navy, the Department of Agriculture, the War Industries Board, the U.S. Shipping Board, the Emergency Fleet Corporation, the Railroad, Food, and Fuel Administrations, and the Committee on Public Information. The WLA set policies on wages, hours, and promotion of safe working conditions. They provided a labor exchange service that placed some 3 million workers nationwide within a span of ten months. A Division of Negro Economics addressed race issues as large numbers of African-Americans from the Deep South were brought north for work in Northern heavy industry. The WLA also orchestrated the transportation of 110,000 workers from Puerto Rico to the U.S. mainland for factory and railroad jobs. With amazing foresight for the times, the WLA established bureaus to encourage better workplace race relations, wage parity, promote health and safety through employer education, resolve housing and sanitation issues for low-income workers, and address other work-related problems that might hinder war production.

The largest and most long-lasting WLA program was the United States Employment Service (U.S.E.S.), a confederation of state job placement offices unified under the federal Department of Labor and receiving federal funding and oversight. U.S.E.S. would decline in stature after World War I, only to be revived by New Deal legislation in 1933 and go on to become one of the most durable and popular of the Department of Labor's programs.

The WLA had assimilated all of the ideas of the Progressives and created a national demonstration model showing that federally funded, holistic, and beneficial labor advocacy and regulation could work. Even though the WLA's life span was brief, the subsequent studies and reports the experiment generated laid the groundwork for most of the New Deal programs that would appear twenty years later. Samuel Gompers, long-time president of the American Federation of Labor, called the policy models of the WLA the "Magna Charta of the modern Department of Labor."

The federal Department of Labor had started out less than a decade earlier to be an information gathering, educational, and economic planning agency. They had demonstrated the power of mobilizing, organizing, educating, and advancing the causes of America's workers, to the benefit of its industries. As its last influential act until the New Deal, and as a direct result of the Woman's Suffrage movement, a Woman's Bureau was created within the agency in 1920. Its charge was to attempt to resolve issues of promotional opportunity, wage parity, and working conditions for women. A major turnabout for the Department's fortunes came under the administrations of Presidents Warren G. Harding, Calvin Coolidge, and Iowa's own Herbert Hoover. The Department was ordered to reduce its budget by nearly 60%, and lay off nearly 40% of its staff. A perfunctory labor exchange service, a few inspections for the worst violators of industrial health and safety, and tracking child labor was as much as the agency could muster up under reduced funds. The Department of Labor was, however, given the charge of the arrest and detention in a 1920s witch-hunt of communists, socialists, labor

union leaders, and certain immigrant groups. In the “red scare” of January 1920, actions by the immigration arm of the Department of Labor resulted in the arrest of 4,000 suspected communists and other “subversive elements”. Some of these detentions occurred in Iowa.

As the federal Department of Labor continued to shrink, chronically under-staffed and under-funded, the Iowa Bureau of Labor Statistics declined in influence and stature as well. Instead of thick, meaty biannual reports, the Iowa Legislature was given occasional thin brochures on the status of current programs. The decline would continue until 1933.

The action of the Iowa Legislature in 1934 greatly expanded a state employment service that had been in operation in Iowa since 1916. The ten district offices were opened in Burlington, Cedar Rapids, Council Bluffs, Davenport, Des Moines, Dubuque, Mason City, Ottumwa, Sioux City, and Waterloo. The vital machinery for operating a statewide labor market exchange was in place in Iowa. The priority was matching the large number of job seekers with the few available jobs.

Early primitive tools were developed for describing skills employers needed and determining qualifications of workers and their aptitudes. These early efforts were precursors for services offered by Iowa Workforce Development today, including skills testing, aptitude testing, job counseling, and services to special groups such as veterans, the handicapped, youth and older workers.

Iowa Unemployment Compensation Commission 1936 - 1941

The segue into the Wagner-Peyser Act is, of course, the Great Depression, but the Iowa portion of that story needs some background. Today, the popular understanding is that the Stock Market tanked in 1929 and suddenly Iowa went broke with the rest of the nation. The real circumstances were actually more complicated. As early as 1926, the Iowa BLS indicated symptoms of economic downturn in the agriculture and mining industries. Hybrid corn and the newfangled gas-powered row-crop tractors wiped out Iowa’s established culture of raising grass grains and hiring itinerate threshing crews. Migrant farm hands started to experience long bouts of unemployment. In the late 1920s, a huge outbreak of bovine tuberculosis hit the state’s dairy and cattle industry. Coal mining, once Iowa’s second-largest economic engine, was stymied by improved methods of refining and shipping heating oil and piping natural gas. Hundreds of Iowa coal mines shut down as a result. Farmers’ strikes, mine closures, and rural poverty became an imperative issue for the Iowa Legislature to address. The Legislature whole-heartedly supported the Agricultural Marketing Act passed by Congress in 1929, but the movement of agricultural goods to foreign markets came too little, too late, and did nothing to promote alternative industry.

The Stock Market crash was an alarm bell to the nation. During the last months of 1929, the economy began collapsing. 13 million people were thrown into unemployment between 1929 and 1932. The federal Department of Labor reported an official 23% unemployment rate for 1933. In some places, the figure was closer to 40%. Franklin D.

Roosevelt, inaugurated as president that spring, called 1933 a “dark hour of national life” and pledged to “resume the country’s interrupted march along the path of real progress.” By that summer, American industrial production had dropped to 56% of what it was before the crash. Hundreds of thousands of individuals lost their farms, homes, and bank accounts. Millions became jobless.

In 1932, the Wisconsin Legislature started a pilot project to create a system of job insurance. Few other states, including Iowa, thought that the system was workable. The Wisconsin experiment would be noted by Senator Robert Wagner of New York, and his protégé, an influential social worker by the name of Frances Perkins.

Wagner and Perkins were long-term friends with Franklin Delano Roosevelt (FDR), serving in various official capacities with the state of New York during FDR’s tenure as governor. They had long planned a system of safeguards for workers who became unemployed through no fault of their own, or who became disabled as a result of occupational injury. Various experiments with the system met with mixed results in New York, but other states took their ideas, performed their own experiments, and published reports on the results.

With the election of FDR to president, Senator Wagner was ready to create the most wide-ranging social and labor legislation in American history. He enlisted the help of Frances Perkins, soon to become the first female Secretary of Labor, in writing legislation to provide an economic floor to sections of the public plummeting into bottomless poverty. The Wagner-Peyser Act was passed in 1933 and mandated that each state form an employment service system based on national standards. As federal employment programs developed, the Iowa State Employment Service worked with such efforts as the Works Progress Administration (WPA), the Civilian Conservation Corps (CCC), and the Public Works Administration (WPA). In 1937, Iowans were well acquainted with the state employment service that placed workers in 93,443 jobs during the year.

To the Wagner-Peyser Act of 1933, Congress added the Social Security Act of 1935. This bill provided for a federal-state unemployment insurance system by levying a tax on commercial and industrial employers. The tax produced funds for temporary weekly payments to workers who lost their jobs through no fault of their own.

The first Iowa Unemployment Compensation law was passed by a special session of the Iowa Legislature during the Christmas week of 1936 to enable Iowa employers to receive credit against a 2.7 percent federal tax on the first \$3,000 of wages for contributions paid under Iowa law. The tax was retroactive to December 1, 1936. Accordingly, the contribution rate was set as a percent of the December 1936 payroll with the proviso that the contribution paid should be equal to the first \$3,000 of wages paid to individual employees for calendar year 1936. Meeting in December 1936, the Iowa legislature ratified the Iowa Employment Security Law and established a job insurance program. The Iowa Unemployment Compensation Commission was created and made responsible for unemployment insurance services.

The Iowa Employment Security Law provided for a single agency director, and Governor Clyde L. Herring appointed Garrett Roelofs, a college professor and former state senator from Orange City in northwest Iowa, to head the Iowa Unemployment Compensation Commission. Roelofs employed a secretary, a general counsel, an information director, and a chief accountant. Charles Wilkins was employed by the agency as an accountant in charge of the distribution, receipt and processing of the contribution reports. Initially, the agency used office space in the State House behind the Senate Chambers. Early in January 1937, the agency moved to the fifth floor of the Oransky Building on 8th Street between Locust and Walnut Streets.

On January 1, 1937, Nelson Kraschel of Harlan became governor and the 1937 legislature met early that month. The Iowa House was evenly divided between Republicans and Democrats, and there was a bitter fight over organizing the House. Finally, a Republican representative named Zylstra voted with the Democrats, thus giving them control of the House organization. Zylstra came from the same town as Garrett Roelofs and many Republicans blamed Roelofs for Zylstra's vote.

To punish Roelofs, the legislature placed the Iowa Unemployment Compensation Commission under the control of a three-person commission, thinking Roelofs would depart. Instead, Roelofs continued on the agency payroll at a substantial salary, further infuriating the legislators. In retaliation, they placed a salary ceiling of \$2,400 per year on all commission employees, except for attorneys (\$4,000 per year) and accountants and actuaries (\$3,600 per year). The legislature won and Roelofs soon departed.

On May 21, 1937, the already existing Iowa State Employment Service came under the umbrella of the newly established three-person commission. Prior to that time, the employment service had been under the jurisdiction of the Iowa Bureau of Labor. The first Iowa Unemployment Compensation Commission consisted of chairman/public representative, an employer representative, and a labor representative. The first appointed labor representative was Walter Scholes. The Iowa Senate did not confirm Scholes, a member of the railroad union. Scholes said one of the reasons he wasn't confirmed was due to an alleged brick throwing incident during the bitter Omaha-Council Bluffs transit strike in the 1930s. When accused of having thrown a brick through a streetcar window, Scholes said it was a bald-faced lie...it was only half a brick.

The Iowa law in 1937 covered employing units with eight or more employees in any 20 days of the year, with each such day being in a separate week. There were over 3,000 covered employers. Payroll reports were received for the first time in 1937, and individual earnings were then posted to each individual's ledger. After that, each worker was to be reported in the same order on that employer's report and only on that employer's report. This turned out to be the biggest methods mistake made in the early years. Punch cards were installed in 1937, and the agency soon became one of the largest punch card installations in Des Moines.

That same year, the State Merit Employment System was established for various state departments, including the Iowa Unemployment Compensation Commission. The date for the “grandfather” clause for commission employees was July 1, 1937. Some employees hired after that date didn’t qualify under the merit system and were terminated in July of the following year. Some of them sued the commission for their jobs and a bitter court battle ensued with the eventual result of the court backing the commission.

The commission staff continued to grow and, later in 1937, the commission office was relocated to a two-story building on the southeast corner of 11th and Locust Streets. In 1938, a chief of benefits and a chief of research and statistics were hired.

In July 1938, benefit claims began for the first time. The maximum weekly benefit amount was \$15 and the base period was eight quarters. Persons filing in the July-September quarter of 1938 could have no more than five quarters. For persons with less than the maximum benefit amount, the claim was re-determined at the turn of each quarter until the maximum was reached. In those days, Maytag was considered a “high-paying” employer. A weekly salary for Maytag factory workers was \$30 (75 cents an hour). Retail clerks in small towns were paid \$12 to \$15 per week and many stenographers in Des Moines insurance companies were paid around \$60 per month. During this time, the \$3,000 wage base covered about 95% or more of wages paid.

Prior to the payment of benefits in July 1938, additional local employment offices were established. Adding new employees to a new program, however, created considerable confusion. So much so that Appeal Referee Zylstra (the same man that broke the House deadlock) made the sage observation, “This is a mad man’s paradise!”

At the Iowa employment service offices, job applicants found a place where their employment problems were given careful attention. The 1938 annual report of the Iowa State Employment Service notes:

“The employment service has been instrumental ...in eliminating long lines of job seekers from the factory and from various types of business houses to which formerly a day-to-day canvass was made by thousands of unemployed persons in search of employment. It has eliminated the embarrassment to the employer who is compelled to refuse employment and has saved the unemployed person added discouragement.”

In 1939, the Iowa Unemployment Compensation Commission moved to the Harger-Blish Building on 11th Street, south of Mulberry. Later, the Des Moines local office occupied the first two floors.

In 1939, an estimate of all employed workers in Iowa was calculated as the federal government began funding collection of very limited labor market information on individual states. It was estimated 429,600 Iowans were employed – compared to the over 1.5 million in 2003. By the time the decade closed, the three functions of the public

employment service were clear: job placement; job insurance; and labor market information.

Iowa Employment Security Commission 1941 - 1976

In 1941, the name of the Iowa Unemployment Compensation Commission was changed to the Iowa Employment Security Commission. The state office remained in the Harger-Blish Building.

Shortly after the bombing of Pearl Harbor on December 7, 1941, the Employment Service was federalized. A federal pay scale was developed and, for the most part, was higher than state pay ranges. Many believed federalization would include all employees and become permanent. The International Association of Personnel in Employment Security (IAPES) became embroiled on the side of federalization, as nine out of ten of its members then approved the idea. After World War II, however, the Employment Service was returned to state control.

In 1944, federal legislation was passed providing benefits to World War II veterans. The agency entered into an arrangement with the Veterans Administration to administer the unemployed and the self-employed benefits in Iowa. All benefits were paid with federal money, but state procedures and law prevailed, except there was no permanent disqualification or cancellation of benefits.

Veterans could file a claim showing self-employment, expenses, and no income and would then be eligible for \$100 per month. The self-employed provision was new and it fit Iowa farmers like a glove. Traditionally, farms were sold or leased as of March 1, followed by several months of little or no income until crops were sold in the fall. The Veterans Administration appointed representatives in each state who were the final appellate authority for the appeals of the unemployed and self-employed.

In 1946, the Iowa Legislature enacted the Iowa Old Age and Survivors Insurance Law, a pension program for government workers. In 1953, the Iowa Employment Security Commission was given the responsibility of administering the Iowa Public Employees Retirement System (I.P.E.R.S.) pension program that replaced the Iowa Old Age and Survivors Insurance program. When I.P.E.R.S. began in 1953, the maximum covered wage was \$4,000.

In 1963, the Iowa Employment Security Commission constructed a building at 1000 East Grand Avenue to house the agency's administrative personnel. In 1972, an addition was made to the building to meet the needs of a growing manpower agency. The cost of the administrative office addition was paid and the building that housed the Des Moines local office at 150 Des Moines Street (which currently houses the Unemployment Insurance Service Center and the staff of the Workforce Development Center Administration Division) was purchased.

In 1970, the part of the Iowa Workers' Compensation Act that allowed employers and employees to reject provisions of that act were repealed. Coverage under the act became mandatory upon all employers and employees who were not specifically excluded from the provisions of the act.

Job Service of Iowa 1976 – 1986

In 1976, the legal name of the Iowa Employment Security Commission was changed to Job Service of Iowa. The agency was reorganized under a single director and the three-member commission was abolished. A three-member appeal board was created to hear appeals.

During the 1970s, additional satellite offices were opened across the state to make Job Service accessible to every Iowan. The 34-office network was expanded to a network of over 70 regular and satellite offices. Each office could take a claim for unemployment insurance and assist a client in finding a job.

Many changes have been made in unemployment insurance since 1968. Beginning January 1, 1972, coverage was extended to employers with one or more employees during any 20 weeks of the calendar year or who had paid wages of \$1,500 in any one quarter of the calendar year. Coverage was also extended to include employees of certain non-profit organizations and to employees of the state and its political subdivisions.

The array tax system was started to keep the unemployment insurance trust fund more solvent by shifting the tax burden to those employers who had more difficulty stabilizing their workforces.

The formula for computing benefits was changed to base them on the average weekly wage. A dependency clause was added allowing additional money to claimants with dependents. A special provision was enacted to help protect claimants who lost their jobs because of the closing of a company. These claimants could receive up to 39 weeks of unemployment insurance and 50% of their wage credits were used to compute their benefits.

Various internal measures have been taken to improve operational efficiency. Since the mid-1970s, a separate fraud department has been active in detecting fraud and recovering payments fraudulently obtained. A random audit system was started in early 1982 to monitor claims to detect both agency and claimant errors. Telephone hearings were begun in the 1970s to speed up unemployment insurance hearings and to make these hearings less of a burden on the employer and claimant.

In 1969, the agency became the prime contractor for the state of Iowa for the on-the-job training program. After enabling legislation was passed by the Iowa General Assembly in April 1969, the Work Incentive Program began enrollment in six Iowa project areas.

From 1975 - 1983, Job Service of Iowa ranked number one in placements in the United States. The first Iowa Job Bank, a computerized system for centralizing and disseminating job openings, began operations in Des Moines in 1970.

The Job Service Improvement Program was begun in fiscal year 1975 as a coordinated effort between local employer committees and the staff of Job Service to improve service available to employers and job seekers. These committees are still active and are called Employers Councils of Iowa.

In 1973 and 1975, extensive changes and major improvements in benefits were made to the I.P.E.R.S. program. Additional improvements were made in 1978, 1980 and 1982. The maximum was raised to \$4,800 in 1964; \$7,000 in 1968; \$7,800 in 1971; \$10,800 in 1973 and to the level of \$20,000 in 1976. The wage level increased to \$21,000 in 1984 and to \$22,000 on January 1, 1986.

Until January 1, 1976, the contribution rate was 3.5% for the member plus 3.5% for the member's employer. The employer contribution rate was increased to 4.75% beginning January 1, 1976; 5.25% in July 1977; and 5.75% on July 1, 1979. The employee contribution rate increased to 3.6% in 1977 and 3.7% on July 1, 1979.

By June 30, 1982, the I.P.E.R.S. Trust Fund assets totaled \$1,739,000,000. These assets were committed or "spent" money because they represent the amount required to match the fund's liabilities for payment of benefits to present and future retirees. On June 30, 1968, the I.P.E.R.S. Trust Fund totaled \$272,999,527.

By June 30, 1982, approximately 138,000 public employees were contributing members and 35,201 retirees were receiving monthly benefits. On June 30, 1968, I.P.E.R.S. had 105,000 active members and 11,200 retirees.

In 1985, Job Service was the third largest state agency in Iowa and served its clients with 73 offices throughout the state. Job Service employed a total of 900 permanent employees – 400 in the administrative office and 500 in field offices. A nine-member advisory council assisted in analyzing problems and formulating procedures concerning the administration of Job Service.

Iowa Department of Employment Services 1986 - 1996

On July 1, 1986, the Iowa Industrial Commission, the Iowa Bureau of Labor, and the Job Service of Iowa were merged into the new Iowa Department of Employment Services. The Iowa Industrial Commission and the Iowa Bureau of Labor relocated their offices to 1000 East Grand Avenue building. The change was a result of major state government reorganization. Responsibility for the I.P.E.R.S. program was transferred to the Iowa Department of Personnel. The annual report for fiscal year 1987 lists 68 local offices of which 11 were classified as district offices.

On July 1, 1989, the PROMISE JOBS program went into effect, replacing the Work Incentive Program (WIN). PROMISE JOBS is a multi-agency effort to assist welfare recipients become self-sufficient through employment and training services.

On July 3, 1989, the department established the nationwide 1-800-JOB-IOWA toll-free telephone number to improve customer service.

From June 24 - 29, 1990, Iowa hosted the annual convention of the International Association of Personnel in Employment. Event headquarters was the Marriot Hotel in downtown Des Moines. Approximately 1,500 people attended from the U.S., Canada, China, Japan, and Central and South America.

The DES Data Center was initiated during fiscal year 1991. It was a PC-based electronic bulletin board for customers to access labor market information and publications. Information was accessed via a modem 24 hours a day, seven day a week.

Through a cooperative arrangement with Iowa State University, the Division of Labor conducted safety programs for farmers during fiscal year 1992.

During fiscal year 1993, all 67 Job Service offices were converted into workforce centers to better needs the needs of individuals and employers. The centers featured many automated services and increased access to information. The Automated Labor EXchange (ALEX) allowed quick searches through job listings to find opportunities. Touch-screen computer terminals were piloted in grocery stores and shopping malls. Self-entry job application terminals were also piloted in Cedar Rapids and Council Bluffs.

The DES Labor Market Information Unit won first place in the category of "Leading Tools and Technology" in the U.S. Employment Service 1994 National Awards program for the DES Data Center/ PC Job Search. During the same year, the Industrial Services Division was one of 10 finalists for the Innovations Award of the National Council of State Governments for their mediation program. IOSH received a \$75,000 grant to utilize the Iowa Communications Network (ICN) to broadcast farm safety education classes to interested groups, as well as conducting 120 on-site consultation visits to family farms.

The Pella office was opened in fiscal year 1995, bringing the local office total back to 68. Also, in 1995, the Industrial Service Division became involved with electronic data interchange (EDI). EDI allowed companies to report workers' compensation information electronically avoiding the need for paper forms and data entry. Iowa was one of the first states to put EDI into production. By July 1, 2001, all workers' compensation reporting was done by EDI.

In fiscal year 1996, the Department of Employment Services developed its first Web site on the Internet. It included job listings, addresses of all local offices, monthly updates on jobless benefits and other topics, as well as downloadable labor market information.

During the same year, the department entered into an agreement with VIE, a subsidiary of Norwest Mortgage, to verify income and employment information electronically for mortgage lenders and other credit providers.

Iowa Workforce Development 1996 - Present

Iowa Workforce Development was established in 1996 by Iowa Code Chapter 84A. At that time, the Department of Employment Services and portions of the Departments of Economic Development and Human Rights were merged into a new department with the purpose of administering the laws of Iowa relating to unemployment compensation insurance, job placement and training, employment safety, labor standards, workers' compensation and others.

Chapter 84A also created a board of directors for Iowa Workforce Development. The board membership consists of nine voting members. The voting members represent employers, employees and a nonprofit workforce development organization. In 1999, the Board assumed the responsibilities of the State Workforce Investment Board under the federal Workforce Investment Act (WIA) that was signed into law August 1998.

In fiscal year 1997, IWD established the common intake system for client information management. Creston also became the first "Workforce Development Center" to pilot the one-stop concept. Des Moines and Cedar Rapids also began piloting the one-stop concept that year.

In fiscal year 1999, the Unemployment Insurance Division began the STAWRS program, which stands for Simplified Tax and Wage Reporting System. STAWRS allowed employers to report state and federal taxes to IWD who, in turn, passes the information on to the Iowa Department of Revenue and Finance and the Internal Revenue Service.

In September 1999, unemployment insurance claims services were consolidated into one service center located at 150 Des Moines Street.

In fiscal year 2000, employees had the option of filing mass unemployment insurance claims for laid-off employees electronically. The system enabled employers to better assist non-English speaking workers with the claim filing procedure, designate immediate release of benefit payments and indicate employees receiving holiday pay or wages during the first week of the claim.

New Iowan Centers (NIC) were established in 2000 as a response to the Iowa 2010 report. The first two centers were established in Muscatine and Sioux City, in the eastern and western doors of Iowa. These centers began providing one-stop services to new Iowans in an atmosphere that worked to connect new Iowans with their new communities by finding them employment and helping them overcome any language or cultural barriers. NIC staff worked with local government, businesses and agencies to identify and meet the unique needs of each community. NIC staff traveled Iowa, educating business, government and schools about the process of acculturation.

There are now three successful New Iowan Centers located in Muscatine, Sioux City and Ottumwa, as well as outreach offices in Storm Lake, Perry, Ames, and Cedar Rapids. All of these offices provide new Iowans with a multitude of services. The Muscatine office has assisted in the start up of 23 new businesses, conducted 72 diversity/sensitivity trainings, found permanent employment for over 750 people, found temporary employment for over 1,000 people and assisted over 300 individuals with housing issues, helping many become first-time homeowners.

The NIC programs have assisted hundreds of people with English-as-a-Second-Language (ESL) classes and have initiated a pilot project of interactive ESL software in Muscatine. The Sioux City NIC staff has been successful working with local banks, cities and realtors in providing an opportunity for newcomers to become homeowners. The program has assisted over 40 families statewide that have spent years working as migratory laborers put down roots in Iowa communities, enrolling their children in Iowa schools and providing consistent labor to local farmers and agricultural companies.

In fiscal year 2001, Iowans began filing unemployment insurance claims over the Internet, as well as register for job placement services. This filing option allowed Iowans to request IWD services in the privacy of their own home. The Unemployment Insurance Tax Bureau also began a multi-year project to modernize Iowa's tax system and move to paperless reporting.

In August 2003, the Migrant Seasonal Farm Worker (MSFW) program was incorporated into the New Iowans Centers. Five full-time MSFW Outreach Specialists are located in Ames, Cedar Rapids, Ottumwa, Storm Lake, and Perry. The MSFW Outreach Specialists focus on bringing one-stop services to migrant and seasonal farm or factory workers from April through October. MSFW staff provides traditional one-stop services by visiting with the worker either on site, by permission of the employer, or at their homes after they finish work. They assist with labor rights issues, housing, immigration, résumé building and job searches. The MSFW staff has developed working relationships with farmers and other businesses in their communities in order to completely facilitate the needs of the MSFW worker. From October through April, the MSFW Specialists provide New Iowan Centers' services to the communities in their regions.

Sources:

1. *History written by Charles F. Wilkins, an employee of Job Service of Iowa from January 1937 through September 1944. From May 1949 - September 1944 he served as the secretary of the Iowa Employment Security Commission. Later, Wilkins was appointed regional director for Unemployment Insurance in Kansas City. He retired in March 1969. Last known residence was San Antonio, Texas.*
2. *50 Year History Publication (December 1936 – December 1986)*
3. *History developed by Todd McGee (2002 IAPES presentation)*
4. *Annual reports of the Iowa Bureau of Labor Statistics, Iowa Bureau of Labor, Iowa Unemployment Compensation Commission, Iowa Employment Security Commission,*

*Job Service of Iowa, Department of Employment Service and Iowa Workforce
Development (1884 – 2003)*