

**WRITTEN STATEMENT OF BETH TOWNSEND  
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U.S. HOUSE WAYS & MEANS COMMITTEE, SUBCOMMITTEE ON WORK AND WELFARE  
JUNE 4, 2024**

Thank you, Chairman Smith, LaHood, and Ranking Member Davis, for the opportunity to speak to you today about Iowa's Reemployment Case Management Program and our efforts to help Iowans find reemployment at the earliest possible moment. I am Beth Townsend, and as the Director of Iowa Workforce Development since 2015, I am here to talk about the value in providing intensive, one-on-one support and innovative resources as soon as someone files for unemployment, usually the first week after they have become unemployed. Iowa has seen significant and consistent value in overhauling our approach to helping Iowans find jobs.

I am a native Iowan, from Sidney, Iowa, with parents who always stressed the power of education and the possibilities that it could open for me. My father was a public-school teacher and superintendent and before it was fashionable, he encouraged my sister and I to aim as high as possible. At a time when women's careers usually included choosing between secretarial, nursing or teaching, he encouraged us to be the doctor, be "the boss" or be the superintendent. My mother, a brilliant woman who graduated from Oklahoma State University in 1958 with a degree in chemistry, always stressed the importance of education, especially for women, to insure we had every option available to us regardless of the life path we chose. After graduating from the University of Nebraska College of Law, I joined the United States Air Force as a JAG and served a total of 21 years on active and reserve duty. I retired from the U.S. Air Force Reserve in 2010 as a Lieutenant Colonel. Upon returning to Iowa after leaving active duty in 2001, I spent 10 years in private practice before being appointed by Governor Terry Branstad as the Director of the Iowa Civil Rights Commission in 2011 and the Director of Iowa Workforce Development in 2015. Governor Kim Reynolds appointed me to the same position in 2019 and 2023.

Iowa Workforce Development is the centerpiece of workforce information, programming, and solutions in Iowa. We are the agency responsible for administering the unemployment insurance program, implementing all the federal workforce services programs including fifteen American Job Centers located throughout the state of Iowa. In 2023, under Governor Reynolds leadership, Iowa reorganized its state government and among the many changes, Iowa Workforce Development gained oversight of all Workforce Innovation and Opportunity Act (WIOA) programs including vocational rehabilitation and adult education services for our state. This meant that, for the first time, all of Iowa's WIOA programs would be housed and administered by a single entity rather than the three agencies that had previously had parts of the programs.

What this meant for Iowans and our employers is easier access, more efficiencies and better leveraging of all available resources to create and sustain our workforce, thus providing a skilled workforce for our over 80,000 employers. In the first year, we believe that the changes have already placed us on a path toward breaking down silos, cutting through red tape, and discovering new ways to get more people into the workforce more quickly. This is no small thing in a state where

employers with growth and economic expansion plans repeatedly cite their urgent need for more workers.

Iowa, like any state, depends on our employers to move the economy forward. But real, long-term growth requires a workforce that is *stable*, as well as sufficient. We want people to feel fulfilled where they work which helps decrease the churn in the labor force that has been so common after the pandemic. That's why Iowa Workforce Development focuses on helping its customers find rewarding careers, rather than jobs. People who work in a career they love are more likely to stay with an employer who allows them the chance to grow and will be more successful and productive in their chosen field. This is the path that benefits our entire state the most – when both workers and employers grow together.

Nothing is a better illustration of Iowa's innovative efforts to grow and develop its workforce than the **Reemployment Case Management** program (also known as RCM) which was created in 2021 in response to the workforce shortage caused by the pandemic.

RCM was launched at the beginning of 2022 as part of a fundamental reset in Iowa's relationship with unemployment. Before the pandemic, our agency's focus revolved around being an efficient and effective provider of unemployment assistance benefits. Assistance with reemployment was left to the individuals to seek and request it, especially early in the process. In contrast, launching the Reemployment Case Management program has helped us become a true reemployment center. Through this program, Iowa Workforce Development has shortened the average time Iowans spend on unemployment by more than 30%, boosted Iowa's available workforce, and saved employers' unemployment taxes in the form of lower unemployment tax rates. We believe our RCM program is a national model for helping put people back to work after unemployment sooner rather than later and helps those individuals find the best possible careers and job opportunities that they not have otherwise even considered.

## Origins

Our path to creating the Reemployment Case Management program began in 2020, when the COVID-19 pandemic created unprecedented joblessness and overwhelmed unemployment systems throughout the nation. Iowa saw its average daily customer service call volume jump from 800 to more than 28,000 calls per day by the end of March 2020. Initial unemployment claims jumped from 2,229 during the first week in March 2020 to 64,194 three weeks later. By the end of April 2020, when our unemployment rate also hit its highest level in recorded history at 11.0 percent, Iowa was processing roughly 169,000 continuing unemployment claims per week. The onslaught would not drop below 100,000 until the second week in August.

More troubling from a systemic perspective is that many people responded to the turmoil by opting out of the economy altogether. Iowans traditionally have an extraordinary work ethic, and our state consistently maintains one of the highest labor force participation rates in the country. Nevertheless, in the wake of incredibly generous pandemic unemployment benefits, more than 94,000 people left Iowa's workforce between February and August 2020, creating an unprecedented need for workers in almost every industry. Iowa employers were paralyzed by their

sudden inability to hire, as the pandemic aggravated a longstanding labor shortage and took it to new levels. Throughout 2020 and 2021, our IowaWORKS job bank consistently averaged 70,000 to 80,000 (and sometimes more) postings for unfilled jobs, while businesses continued to struggle to find the skilled workforce, they needed to remain productive, never mind trying to expand.

One step Governor Reynolds took in an effort to get more Iowans back into the workforce and ease the challenges employers were facing in June 2021 was to end the federal unemployment programs early. Her actions removed the disincentive the generous pandemic benefits had created for some Iowans to continue to sit on the sidelines. At the same time, Iowa Workforce Development looked for ways to inject more urgency into reemployment for unemployed Iowans.

In October 2021, Governor Kim Reynolds announced a shift in the mission of Iowa Workforce Development. From that point on, the governor proclaimed, Iowa would move beyond the traditional duties associated with aiding jobless Iowans in times of need. Instead, our agency's new and overriding priority would be to get those jobless Iowans to the other side of their unemployment as quickly as possible. This simple-yet-profound change revolved around returning unemployment to its original purpose – serving as a short-term bridge between careers, rather than as a means of long-term support. It's important to understand that RCM was *not* created to eliminate or lessen unemployment benefits. Instead, our goal was to reduce the *need* for benefits by helping the unemployed find work, and all the good things that come with it, more quickly.

We believe we have achieved that goal.

How? Our Reemployment Case Management program is built on two things: strengthening the incentives that encourage the unemployed to aggressively search for work and providing more assistance, earlier in the process, to increase the odds that they succeed.

## **Launch**

We tested this early assistance idea with a pilot project in late 2021, connecting unemployment claimants with reemployment services immediately after a group of claimants filed for unemployment benefits. After a few months of providing this earlier assistance, we discovered that the UI claimants who received it were reporting employment earlier – often before they would have even been eligible for the RESEA program. A full program was then approved, so Iowa hired, on-boarded, and trained 18 new Career Planners and one manager before the main RCM launch in January 2022. Training focused on educating new staff about reemployment services and how to get UI claimants connected to job opportunities. Career planners also learned how to review unemployment claims and verify job search activities.

With the launch, Iowa Workforce Development began to require that unemployed Iowans participate in four reemployment activities each week, up from the previous requirement for two. Completing all four activities – and recording them weekly in a newly developed module of the state computer system – would be a required condition for maintaining any claim for unemployment benefits. Alongside this, we changed the definition of “reemployment activities” and began requiring that at least three of those activities involve submitting job applications. The fourth could

be either another a job application or one item from a pared-back and re-focused list (see the chart below) of other activities that we deemed to be those most likely to help claimants land a new position.

Acceptable Reemployment Activities (effective Jan. 2022)
<p><u>Self-guided</u></p> <p>Apply for a potential job by submitting a resume or application.</p> <p>Take a Civil Service Exam.</p> <p>Register with a placement facility at a school or college.</p> <p>Interview for a job.</p> <p>Attend an IowaWORKS workshop.</p> <p>Attend a job fair sponsored by IowaWORKS or one of its partners.</p> <p>Attend a scheduled career networking meeting with IowaWORKS office.</p>
<p><u>Staff-Assisted Activities</u></p> <p>Create a Reemployment Plan (RESEA)</p> <p>Attend an appointment with a Career Planner at an IowaWORKS office.</p> <p>Attend an appointment with a core IowaWORKS partner (Vocational Rehabilitation, Adult Basic Education, Wagner Peyser, Title I)</p> <p>Take part in a mock job interview at IowaWORKS.</p>

As the new rules came online at the beginning of 2022, RCM career planners also began to provide one-on-one job search assistance for most unemployment benefits claimants. (Participation in most cases was mandatory. But union members and highway construction crews, who are statutorily exempt in Iowa from the need to search for work during temporary layoffs, likewise were excluded from the need to participate in RCM.)

Career Planners were aided in their work by modifications to Iowa’s workforce computer systems that now made it easier for RCM program staff to match claimants’ skills and abilities with the job postings of employers with open positions. As previously mentioned, (and as I will discuss in more detail in a moment), the new system also expanded Iowa Workforce Development’s ability to capture and supervise the job search activities of unemployment claimants.

## Investment and ROI

Iowa Workforce Development is funding all these new efforts (from calendar 2022 through 2026) with roughly \$10.7 million from Iowa’s portion of State and Local Fiscal Recovery Funds (SLFRF) through the American Rescue Plan Act (ARPA). The five-year budget includes:

RCM Budget	
\$8,828,663	Career Planners’ (and two supervisors) salary, benefits, and indirect charges (20 FTEs)
\$1,625,000	Annual license fees on the new REX computer system
\$275,000	REX system implementation
<b>\$10,728,663</b>	<b>Total</b>

Less than 2½ years after implementation, we calculate that the RCM program has provided a return on investment of more than \$250 million in the form of saved unemployment benefits and reduced average duration by 4 weeks.

During the five “normal” years before RCM, (excluding the record-setting unemployment levels in 2020), Iowa paid out an average of \$388 million in unemployment benefits per year. In calendar years 2022 and 2023, our state paid \$253 million and \$260 million respectively. We expect to see similar numbers in 2024, potentially (barring a large economic downturn) pushing our total savings from RCM to roughly \$400 million by the end of this year.

Of course, after 2026, when the ARPA funds have run out, Iowa will have to utilize state funding for the program. One alternative for state funding is providing states more access to FUTA payroll taxes collected each year for administrative purposes. For instance, in FY2022, Iowa employers paid \$63.7 million in payroll taxes under the Federal Unemployment Tax Act, or FUTA, but our state government received only \$36.7 million of that money, or 58 percent, to use for UI administration. I would encourage you to address this discrepancy. If Congress were to change that formula and allow Iowa to keep more of the administration taxes paid by its employers, then our agency would have a predictable stream of revenue to fund more innovative ideas and programs like the Reemployment Case Management program – without forcing our state government to bear the burden.

Now that you understand the framework, I would like to walk you through some of the details about how the RCM program works.

### Supplementing RESEA

As stated previously, Iowa’s twin goals in launching RCM were to shorten the length of time claimants spend receiving unemployment benefits and to return jobless Iowans to the workforce as quickly as possible. To do this, we decided to implement a modified and supplementary version of

the federal RESEA (Reemployment Services and Eligibility Assessment) program. As you know, RESEA programs have been part of unemployment in the United States for more than a decade. RESEA is based on a successful Nevada program that provided job search counseling and eligibility assessment for unemployment claimants. With the extra assistance, Nevada was able to shorten claimants' time on unemployment by an average of 1.82 weeks and \$536 in benefits paid. The idea was quickly adopted elsewhere, and Iowa has operated a version of RESEA since 2015. But under the terms of that federally funded program, which require waiting until claimants receive an unemployment benefits payment and are properly notified about RESEA, Career Planners were not meeting with unemployment claimants at the earliest, until roughly the fifth week after an initial claim was filed. Given the increased demand for workers created by COVID-19 – as well as workers' increased need for job search assistance – we deemed that delay to be too long. Instead, RCM was created to be a new, state-funded program that would supplement the federal version, meeting with unemployment claimants from the week after their initial claims were filed.

Unemployment claimants in Iowa now are contacted about RCM during the week after they first file for unemployment benefits so the claimants can quickly begin developing the skills they will need to successfully navigate their unemployment. Career Planners schedule a one-on-one appointment and immediately assign claimants to several virtual workshops on topics such as how to navigate the computer system for reporting work search, how to build a successful resume, and how to interview for a job. Career Planners continue to have regular one-on-one appointments with claimants to review job search results and assign reemployment activities. Once the claimant becomes eligible for RESEA, that program takes over the one-on-one appointments and monitoring of reemployment activities. The claimant continues to receive these services until he or she is reemployed. If anyone exhausts 50 percent of their eligible benefit weeks, we shift his or her claim to more intensive case management.

As of my testimony here today, 46,109 one-on-one appointments have been completed through the Reemployment Case Management program to date, with 11,385 UI claimants reporting that they have found reemployment. (Note that the actual number of people who have left RCM to take jobs is larger than that, because claimants are not required to advise as to why they stop filing for benefits.)

Now, I would like to spend some more time highlighting the value that unemployment claimants get from their interactions with us.

## **REX**

As I stated previously, it was obvious from the outset of RCM that our new Career Planners would need new tools to meet the program's goals. Before RCM, Iowa Workforce Development struggled to maintain an accurate account of unemployment claimants' work search activities. There simply was too much ever-changing information for us to store it and review it effectively. We solved this in 2021 by adding the REX (Reemployment Exchange) module to the IowaWORKS.gov platform that houses electronic information for Iowa's American Job Centers. Now, unemployment claimants input their work search activities into our system as part of the process of filing their weekly claims

for benefits. Career Planners can review those submissions, confirm that both the quantity and type of activities being completed are appropriate, and lock claims if necessary to encourage compliance.

The technology also allows Career Planners to match skills and abilities with open job postings and make connections that the claimant might not otherwise consider. The system includes a Virtual Recruiter that we can set up to automatically send job referrals to claimants based on a resume submitted to the system. Career Planners also can use it to point someone with experience in one industry to high-demand jobs in an adjacent industry where their skills might, in fact, be just as valuable. In the case of someone who loses their job after a long period in the same occupation, Career Planners can use the system to identify any gap in skills that might serve as a barrier to the claimant’s job search and refer him or her to applicable training. Labor Market Intelligence data also is available to advise job seekers on expected wages and projected demand for specific occupations.

### Workshops

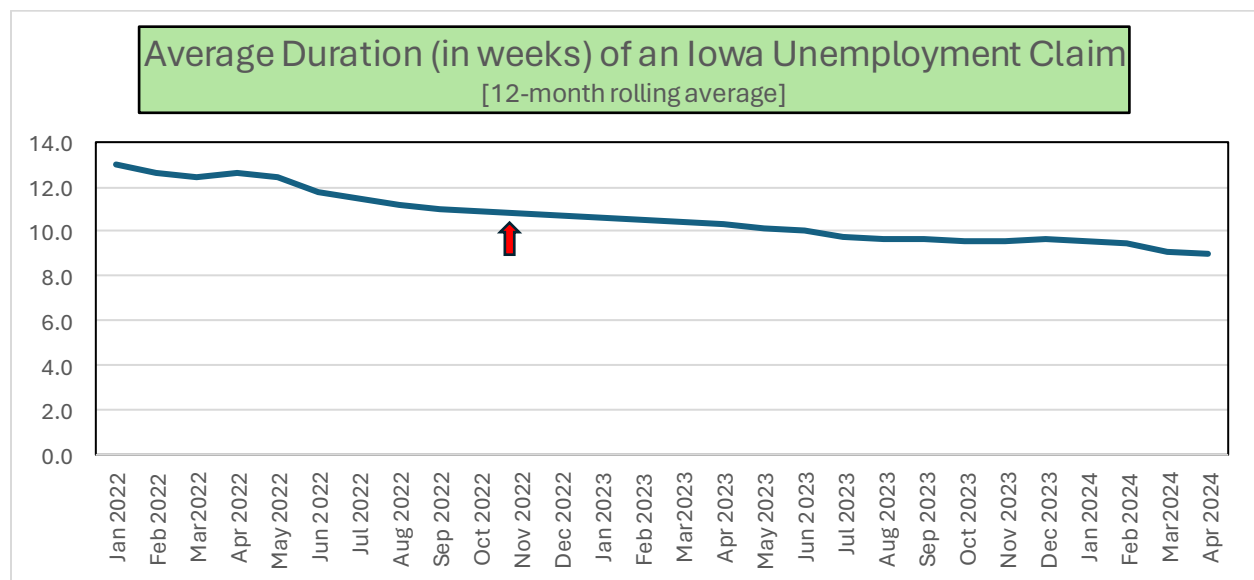
Most of the initial education that Career Planners provide to claimants in terms of helping them find a new job is dispensed via topical workshops. These are offered both online and in-person at Iowa’s American Job Center (IowaWORKS) offices, which Iowa Workforce Development supports in partnership with local workforce development boards throughout the state. IowaWORKS offers a total of 24 live virtual workshops each month. In addition to resume building and job interviewing, we hold a weekly Virtual Job Club to discuss a variety of reemployment skills. Regular sessions

<h2 style="text-align: center;">JUNE VIRTUAL WORKSHOPS</h2> <p style="text-align: center;">IowaWORKS is excited to offer these employment workshops! Classes will be held virtually on Zoom with the opportunity to attend at our IowaWORKS American Job Center or from the comfort of your own home.</p>				
MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
<b>3</b> 9am - 11am - Essential Tools for Job Seekers 2pm - 3pm - Smart Planning for your Money - Insurance 101	<b>4</b> 9am - 12pm - Interview 101 1pm - 3:30pm - Spanish Interview & Negotiate	<b>5</b> 9am - 11:30am - Conduct a Job Search 1pm - 2:30pm - Virtual Job Club - Who Would You Hire?	<b>6</b> 9am - 11am - Create a Great Resume 1pm - 2:30pm - Bring Your A-Game - Part 1	<b>7</b> 9am - 11:30am - Maintain a Positive Attitude 1pm - 2pm - Completing Your Weekly Certification
<b>10</b> 9am - 11am - Essential Tools for Job Seekers 2pm - 4pm - Navigating Ageism in Your Job Search	<b>11</b> 9am - 10am - Registered Apprenticeship	<b>12</b> 9am - 11am - Advanced Resume 1pm - 2:30pm - Virtual Job Club - Power of O*Net	<b>13</b> 9am - 10am - Mock Interview Workshop 1pm - 3:30pm - Bring Your A-Game - Part 2	<b>14</b> 1pm - 2pm - Completing Your Weekly Certification
<b>17</b> 9am - 11am - Essential Tools for Job Seekers 1pm - 3:30pm - Develop A Career Plan & Research Industry Trends	<b>18</b> 9am - 12pm - Interview 101 1pm - 3:30pm - Spanish Essential Tools for Job Seekers	<b>19</b> 9am - 11:30am - Conduct a Job Search 1pm - 2:30pm - Virtual Job Club - Business Panel	<b>20</b> 9am - 11am - Create a Great Resume 1:00pm - 2:30pm - State of Iowa Job Applications	<b>21</b> 9am - 11:30am - Maintain a Positive Attitude 1pm - 2pm - Completing Your Weekly Certification
<b>24</b> 9am - 11am - Essential Tools for Job Seekers	<b>25</b> 9am - 11am - EMERGE 1pm - 3pm - Military Members Power Hour - A-Game for Veterans - Part 2	<b>26</b> 9am - 11am - Advanced Resume 1pm - 2:30pm - Virtual Job Club - Success in IowaWORKS.gov	<b>27</b> 9am - 10am - Mock Interview Workshop 1pm - 2:30pm - Spanish Mock Interview Workshop	<b>28</b> 1pm - 2pm - Completing Your Weekly Certification

include a weekly business panel where Iowa employers provide feedback on the application process, a live mock interviewing workshop where audience members get to select the candidate they would hire based on interviewing performance, and a session on how to use LinkedIn/social media to accelerate your job search. Attendance at virtual workshops has grown steadily during the life of RCM and now averages 6,000 people per month (not counting the in-person audiences). Several workshops, including a popular one on “Navigating Ageism in Your Job Search,” have been created based on the feedback and requests we received from regular focus groups drawn from RCM participants.

## Results

All these changes – the new Career Planners, new work search requirements, new technology, and a focus on live virtual workshops – have combined to make unemployment a much shorter experience for most Iowans. People literally are getting back to work faster than ever. The average duration of an unemployment claim in our state has dropped from 13 weeks when the RCM program was launched in January 2022 to 9.0 weeks in April 2024. This is the shortest duration figure that Iowa has ever recorded in the 64 years that we have been keeping such statistics. Additionally, the total amount of unemployment benefits paid in 2022 and 2023 (\$253 million and \$260 million, respectively) represent the lowest levels for benefits paid since 2000. Both improvements coincide directly with the launch of our Reemployment Case Management program. (One note: Six months after the launch of RCM, unrelated state legislation reduced the maximum amount of available unemployment benefits in Iowa from 26 weeks to 16. However, claim duration was already falling by that point. The red arrow on the chart below marks the earliest any unemployed Iowan would have exhausted a 16-week claim under the law.)



RCM has had impacts across our agency. For example, we’ve found that providing earlier assistance to jobless Iowans has made them more proactive about finding work throughout the



process. Before RCM, our participation in the RESEA program was at 68 percent. With the program in place, the figure in April was 81 percent. We see this as evidence that the unemployed are staying engaged, preparing better for their work search, and generally looking for work more actively than they would have done without RCM.

In February 2023, the American Institute for Full Employment recognized Iowa's "innovations" with RCM by awarding Iowa Workforce Development the organization's national [Full Employment Award](#). More recently, a [review by Actus Policy Research](#) called our program "one of the most intensive job-search assistance interventions ever studied within the U.S." According to the Actus review, 82 percent of unemployment claimants in RCM received one-on-one expert assistance with their job search, compared to 13 percent of those in a control group. Additionally, RCM participants were found to be 19 percent less likely to exhaust their unemployment benefits.

It is important to note that RCM also is serving as a valuable tool to help us ensure that unemployment benefits are used properly. Iowa, like other states, takes unemployment fraud very seriously. Earlier this year, we began using the ID.me verification service to double-check the identities of everyone who files an unemployment claim. The service first came available in January as an alternative to sending personal identification documents to Iowa Workforce Development staff. However, for the last two months, anyone who files for unemployment benefits in Iowa has been required to first pass ID.me's verification checks. We estimate that this new step has blocked at least 1,200 potentially fraudulent claims, even while ID.me has sped up the verification process for claimants overall.

In its own way, RCM has strengthened our system against fraud by providing a different type of integrity check – one intended to make certain that unemployment claimants complete all the required steps on their way to finding another career. As I said previously, we feel a tremendous duty to help those Iowans who need a bridge from one job to the next. But it is not productive for the individual, employers, or the state to have people sitting at home collecting benefits when we have more open jobs than people to fill them.

The additional scrutiny that we're now able to provide because of the Reemployment Case Management program has made Iowa much more effective at stopping this from happening. Thus far in 2024, our reemployment team has been identifying and addressing an average of 70 improper work searches a month from claimants who have either been failing to seek work at all or doing so in ineffective ways, such as by chasing opportunities well outside their skills and abilities. We believe this is an important aspect of RCM's success. By eliminating opportunities to manipulate the system, we're encouraging Iowans to focus more intently on their job searches and to take advantage of the valuable assistance we're giving them to find real and rewarding careers.

We are very proud of the success of Iowa's Reemployment Case Management program that has enabled us to cut costs, enhance UI integrity, increase the effectiveness of job searches and more importantly, help Iowans find amazing career opportunities. In more than a few cases, this has resulted in unemployment claimants thanking us for helping them land careers (and wages) that they never would have imagined possible without the assistance provided through RCM. Why has it worked? Because we've both incentivized claimants to work hard at reemployment and given them the tools they need to get there. In the process, we've also listened intently to our claimants,

providing new services online and in new topic areas when they've told us that they need it. As a result, our claimants have become much more effective job seekers, and the RCM program has only gotten more effective as we've gone along. Listening is the key.

I thank you for the opportunity to share with you today information about our Reemployment Case Management Program. I hope it demonstrates the great work states are doing and encourage the federal government to collaborate with state workforce agencies and organizations like the National State Workforce Agency (NASWA). There are a huge number of individuals at the state level who have vast experience in unemployment and what works to get people back to work. Each state has a different economy, different workforce and different needs. Experts from states and NASWA can significantly help Congress craft bills and programs that will increase the return on investment in workforce programs as well as provide states with sufficient discretion to be able them to utilize federal funding to meet state specific needs.

As I mentioned previously, Iowa employers currently pay \$27 million more in FUTA taxes than what the state gets back for administration of our unemployment programs. If that money was under Iowa's control, my agency would have much more flexibility to improve our unemployment system – and the money that we didn't have to spend on UI could go toward building up other areas of our workforce system, such as Iowa's long-stated goal of launching more work-based learning and apprenticeship programs tied to Iowa high schools. As I hope the RCM program has demonstrated to you, states have innovative and creative ways to solve workforce issues and often it's just a matter of resources to be able to launch these programs.

With that, I'd like to thank Chairman Smith, Subcommittee Chairman LaHood, Ranking Member Davis, and all the other members of the Subcommittee for giving me the opportunity to testify. I'd be happy to provide more information if you have any questions.

Thank you.