GOAL
Increase education and better job opportunities for low-skilled Iowans to earn a family sustaining wage.

POVERTY PROBLEM IN IOWA

1. **23% of Iowa’s working families cannot meet their families’ basic needs.**
   a) A family of four with both parents working needs $14.15 per hour.
   b) A single parent with two children needs to earn $24.06 to adequately support his or her family.
   c) Nearly 3 of 4 single parent households fall short of meeting basic needs.
2. Low income families must overcome significant barriers to maintain employment, such as struggling to find and maintain high quality, affordable child care for their children.

UPSKILLING ADULTS IS IMPORTANT TO IOWA ECONOMY

Not all Iowa families have the appropriate education, skills and resources to be financially stable.

1. **289,280** working age Iowans do not have a high school diploma or equivalent. The lifetime earnings lost for a high school dropout is $648,000.
2. By 2018, **62%** of jobs in Iowa’s labor market will require education past high school.
3. Middle-skill jobs already make up the majority of the jobs in the state’s labor market. Yet, only **33%** of working Iowans likely have the skills and credentials for these types of jobs.
4. For Iowa to remain globally competitive, at least **60%** of its workforce, ages 25–65, should have a postsecondary degree by 2025.

![Figure 1. Iowa’s Jobs and Workers by Skill Level-2010](image)

WHY STATE SUPPORT IS NECESSARY

1. Iowa is one of only three states without targeted state funding to supplement federal funding to support adult basic education. Iowa is the only state to have never invested state funding in adult basic education.
2. In the past 18 months, United Way of Central Iowa and other public and private entities have invested over **$1.47 million** in helping skill up Central Iowans. We’ve pooled federal and state money, alongside these private contributions to help close Iowa’s skills gap.
BILL SUMMARY

Senate File 291 calls for public investments that complement and accelerate the steps Iowa’s policymakers have already taken for the state’s industries and workers including:

1. $7.35 million to support adult basic education.
2. $5 million for Pathways for Academic Career and Employment (PACE) programs and pathway navigators.
3. $3 million for regional industry sector partnerships to build the skills of Iowans and close the skills gaps.

HOW SENATE FILE 291 ADDRESSES IOWA’S WORKFORCE CHALLENGES

1. Appropriates $7.35 million in state revenue for adult basic education and integrated learning programs, which combine literacy skill development with job training, to help more low-skill adult workers get on a path toward earning postsecondary credentials and obtain the necessary skills for employment.
   a) $2 million would be designated for English Language Learners Adult Basic Education – to be distributed based on variance of need across the state.
   b) An appropriation of $5.35 million in FY 13 in adult basic education and related programs would have a net value of $25,842,030, and a rate of return of 24 percent. That is, the State of Iowa gets all funding dollars back plus an additional $20,842,030 million for the FY 14 appropriation.
   c) Adult Basic Education includes: ABE for low-skilled, low-literacy, English as a Second Language, and GED preparation.
   d) When literacy skill development is combined with job training, adult workers can more effectively and efficiently get on a path to employment.

2. Appropriates $5 million in state revenue to support PACE programs and pathway navigators.
   a) Legislation to create PACE and the GAP tuition assistance programs passed in 2011. In FY 2013, $2 million was dedicated for GAP. PACE programs were also eligible for this funding, but the funding level was not adequate enough to support both programs.
   b) PACE programs enable community colleges to help adult learners move smoothly from adult basic education to degree-bearing programs.
   c) Pathway navigators help adult learners take advantage of the education and training opportunities available to them and help them troubleshoot life challenges so they can finish these programs such as: child care, budget issues, transportation, tutorial, and connecting with community resources.

3. Appropriates $3 million in state revenue to support a “work-based learning intermediate program” (or industry sector partnership).
   a) This program would create regional industry sector partnerships which bring together employers from one industry sector, education, workforce, community, labor, economic development and other stakeholders to address workforce skills gaps, occupational shortages and wage gaps within a regional economy.
   b) These partnerships will develop training and education programs that focus on the workforce skills, from entry level to advanced, required by an employment sector in a regional economy.
   c) Since 2007, Central Iowa Works (CIW) has facilitated industry sector partnerships for the advanced manufacturing, energy, healthcare, and information technology sectors in the Greater Des Moines region.