



Iowa legislators look to grow jobs by supporting apprenticeship programs

‘Upskilled’ workers earn more as better fit for businesses’ needs

by Iowa Sen. Bill Dotzler (bill.dotzler@legis.iowa.gov)

When I meet with business leaders, I always ask, “What’s the No. 1 obstacle preventing businesses from growing in Iowa?”

The answer is almost never high taxes or excessive regulation. Instead, Iowa businesses consistently tell me that the biggest challenge they face is the shortage of skilled workers.

It’s estimated that by 2018, 62 percent of all jobs in Iowa — not unlike the rest of the nation — will require some training or education beyond high school. That’s 1.1 million jobs, many of which are “middle-skill” jobs that require education and training beyond high school, but less than a bachelor’s degree.

There’s no shortage of people in Iowa who are looking for higher-skilled, better-paying jobs. What we needed to do was fix the mismatch between the skills they have and the skills businesses are seeking.

Lack of skilled workers hurts economy

In my experience, this is the most important economic development challenge America faces. Until we do a better job of helping workers “upskill” their abilities, Iowa (and most other states) won’t be able to fill those “middle-skill” jobs. The skilled-worker shortage will continue to be a drag on our entire economy.

Here in Iowa, we have a fairly strong educational infrastructure. The state supports more than 300 local schools, a strong community college system and world-class public universities.

One area where there is bipartisan agreement that we can do better is helping Iowans who do not have education or training beyond a high school diploma.

Because of this, Iowa Republicans and Democrats have approved major new investments in our community colleges in the last two years. We’ve created tuition grants and funded coordinated social services to programs other than the traditional two-year associate’s degree.

Iowans can now earn a variety of industry-recognized certificates at their local community colleges. Often these certificate programs are developed in close cooperation with local employers who seek to hire graduates with these new skills.

This session, Republican Gov. Terry Branstad proposed that the Iowa Legislature take another step forward — by increasing our support for apprenticeship programs. These programs provide workers with hands-on training while allowing them to earn a wage. Public and private funds help subsidize those wages for people who also attend classes and receive intensive training while working.

In 2013, Iowa had 662 apprenticeship programs, with more than 8,100 apprentices. A state report found that Iowans who took part in such programs earn higher wages in most cases when compared to graduates of traditional community college programs (see table).

There are already many success stories among those who have completed apprenticeship programs, like Des Moines resident Ernie.

Ernie was in high school when he enrolled in the

Apprenticeship pays off: Median income for Iowans in select skilled trades (income figures during 3rd quarter of 2013)

Skilled trade	Worker’s path to a job in a skilled trade		
	Apprentice (4-year program)	2-year associate’s degree related to skilled trade	1-year diploma program
Electrician	\$13,290	\$10,430	\$7,524
Plumber	\$14,930	\$6,881	\$8,804
Line maintainer	\$23,008	\$14,052	\$13,272
Structural steel/ironworker*	\$12,482	N/A	\$9,500**
Pipe fitter	\$18,466	N/A	\$9,500**
Cook (hotel/restaurant)*	\$6,840	\$6,665	\$5,345
Air-conditioning mechanic*	\$10,990	\$8,380	\$7,869
Millwright	\$11,288	\$11,194	\$11,763
Insulation worker	\$11,345	\$8,534	\$7,052

* 3-year apprenticeship
** No matching certificate; included are welding certificate programs of up to 1 year
Source: Iowa Workforce Development

Laborers’ Construction Program located in his school. A week after graduation, he entered the Iowa Laborers’ Education and Training Fund Apprenticeship program.

Shortly after that, he started working with a local contractor laying storm-sewer pipe for \$16.03 per hour. After completing his apprenticeship in June of this year, he became a journeyman pipe layer. He now earns \$24 per hour plus a \$10 benefit package.

Under the proposal introduced by the governor at the start of our session, spending on apprenticeships would triple from \$1 million to \$3 million per year.

To receive state support, Iowa apprenticeship programs must be registered with the U.S. Department of Labor. The amount of funding that a specific program receives would be based on the total applicants, number of apprentices served and contact hours. Online instruction would be included as long as it did not make up more than 30 percent of the total instructional hours.

Gov. Branstad’s proposal got the ball rolling, but legislators saw room for improvement. For example, while we appreciated the governor’s commitment to a significant, ongoing increase in funding for apprenticeships, unfortunately a third of that money would have come from cutting other job training programs.

Many lawmakers also disagreed with the governor’s idea of administering apprenticeships solely through the Iowa Economic Development Authority. In addition, there is a consensus among industry and legislators that we need to do more to reach out to prospective apprentices while they are in high school.

As an alternative, the Senate advocated that the Iowa Department of Education administer the program with the help of an advisory board. That would help integrate this expanded program into our overall effort to prepare Iowans for high-skill,

high-wage jobs. This advisory board would include representatives from industry, labor, community colleges and the Economic Development Authority.

During the 2014 session, the Democrat-controlled Senate approved an expanded, reorganized apprenticeship program to be run by the Department of Education. Unfortunately, the Republican-controlled House was unable to pass a bill.

Compromise opens path to success

The budget process, though, gave us another avenue to get the job done. As chair of the Senate Economic Development Budget Subcommittee, I worked with my House Republican counterparts to find a compromise.

By the end of session, both chambers had given strong support to an economic development bill that included tripling financial support for apprenticeships — without cutting other job training programs — and a compromise to let the Economic Development Authority administer the program while creating a new advisory board.

Gov. Branstad approved the annual appropriation of \$3 million for apprenticeships — including the \$2 million in new funding, something we fought hard for.

I was disappointed when he vetoed creation of a Apprenticeship Training Program Advisory Board. It would have given various interests a seat at the table, helping organize support for the integration and expansion of apprenticeships into Iowa’s educational system in order to meet the needs of our state’s employers.

While we had disagreements, legislators in both chambers and the governor realized the importance of addressing Iowa’s skilled-workforce needs. When the next legislative session begins in January, we will review our progress, look for ways to involve all stakeholders and suggest improvements.

It is important to build upon the program’s successes, like Ernie, who was able to obtain the skills needed to get a quality job.

This is the sort of success story that will keep legislators from both parties interested in expanding the role of apprenticeships in Iowa’s efforts to attract and support businesses by upskilling our workforce. ★

Iowa Sen. Bill Dotzler, a Democrat from Waterloo, was first elected senator in 2002 after having served three terms as a state representative.

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