

A woman wearing a yellow hard hat, safety glasses, a red and blue plaid shirt, and blue overalls is looking at a tablet in a factory setting. She has a tool belt with various tools. The background is a blurred industrial environment with machinery and lights.

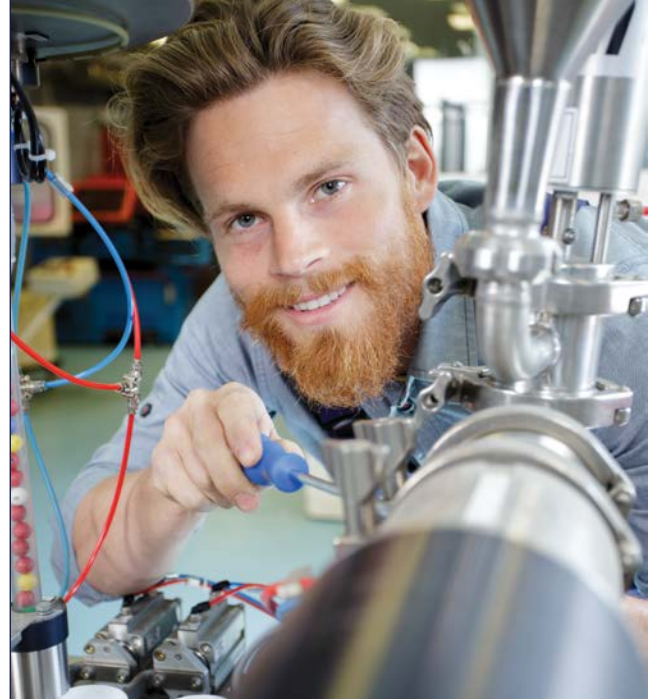
The Indiana *IMA*
Manufacturer

JULY-OCT 2019

**WORKFORCE
EDUCATION
AND TRAINING**

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Chairman of the Board
Mike Lunsford
Dart Controls, Inc.

President & CEO
Brian Burton

Editor
Charlene Hickey

Indiana Manufacturers Association
101 W. Washington St.
Suite 1050 East
Indianapolis, IN 46204
Phone: 317-632-2474
800-462-7762
Fax: 317-231-2320
www.imaweb.com

Register for the 2019 Indiana Manufacturers Hall of Fame Luncheon

We invite you to attend the 2019 Hall of Fame Luncheon, set for October 16, 2019, at the Biltwell Event Center, in Indianapolis. The agenda will include a networking reception, a review of the 2019 Indiana Manufacturing Survey, the Hall of Fame Awards, and the Manufacturing Excellence Awards. *Sponsorships for this important and well-attended event are open through September 20th, and registration closes October 6th.*

We will again honor several Indiana companies with the **Indiana**

Register/Sponsor the Hall of Fame Luncheon by visiting www.imaweb.com/events.

Make your Manufacturing Excellence Award nominations by visiting www.bit.ly/INMfgXAwards.

Manufacturers Hall of Fame Awards. These award recipients are chosen by IMA for their long-time contribution to Indiana's manufacturing environment and economy.

New this year are the **Manufacturing Excellence Awards.** These awards are by nomination (self-nominations are encouraged) and given to Indiana companies and individuals for the outstanding work they do, as well as their exceptional contributions to the industry.



Make Your Nominations for the 2019 Manufacturing Excellence Awards

MANUFACTURING EXCELLENCE AWARDS NOMINATION PROCESS: Judges will determine recipients based upon the content and quality of the completed nomination forms. The awards are open to all manufacturers in Indiana. Anyone may nominate an individual/company active in Indiana's manufacturing industry, and self-nominations are encouraged. **Nominations close September 4th at 4:30 p.m.** The submission of additional information about the nominee/company, such as letters of recommendation/commendations, testimonials, press articles, and company brochures, is highly encouraged. You may submit multiple nominations for the same category. Please note that numerous nominations for the same company/individual will not make them more likely to be selected.

NOMINATION CATEGORIES

- Large-Tier Indiana Manufacturer of the Year (Individual or Company)*
- Medium-Tier Indiana Manufacturer of the Year (Individual or Company)*
- Small-Tier Indiana Manufacturer of the Year (Individual or Company)*
- Manufacturing Talent Champion (Individual or Company)*
- Emerging Leader (Individual)*
- Community Impact (Company)*
- Innovation Excellence (Company)*
- Lifetime Achievement (Individual)*



HOW TO SUBMIT YOUR NOMINATION: To make your nomination(s), visit www.imaweb.com and look for the link to the Manufacturing Excellence Awards nominations page.

Competition for Skills and People Continues

By Brian Burton, IMA President & CEO, bburton@imaweb.com, 317-713-5924

No matter where you go or who you talk to, the topic of conversation is the challenge of finding people to fill the ever-increasing number of jobs available in today's economy. The numbers are clear. Nationally, there will be a need for 10 million new skilled workers by 2020. Currently, 600,000 skilled jobs are going unfilled. According to a recent survey by *U.S. Skills Gap*, 83% of companies report a moderate to severe shortage of skilled workers. And 69% expect the shortage to worsen over the next three to five years.

In the manufacturing sector, the skills shortage is amplified by the magnitude of the U.S. manufacturing sector. In fact, if you compare U.S. manufacturing to the economies of the world, U.S. manufacturing would rank as the world's eighth-largest economy. It is estimated that the skills gap could cost the U.S. economy \$2.5 trillion over the next decade. As reported by *IndustryWeek*, it is currently taking more than two months to fill positions for skilled production workers. In turn,

these vacant positions negatively impact several business areas, notably productivity (51%), growth (47%), customer service (42%), and innovation (43%).

In response to the skills gap, federal, state, and local governments have ramped up funding for programs to deal with a wide range of needed skills training. Nationally, thousands of programs are being funded to address this issue. Some work and many don't, but much effort is taking place in order to attempt to alleviate the skills shortage.

However, if we just concentrate on the skills gap, only half of the problem is being addressed. We must have robust discussions about population trends and the need for people to be trained. We must face the fact that we have a people problem. The U.S. population is currently growing at between 0.7% and 0.9% per year. The U.S. population is currently near 330 million, with Indiana's population in 2019 at 6.7 million. Indiana's current growth rate is

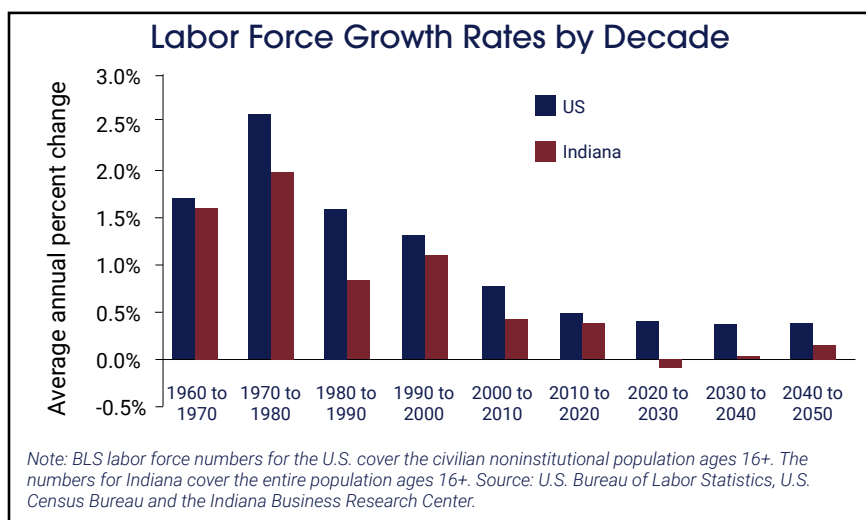


approximately 0.4%, which is about half of the U.S. average.

Increasingly, economic competition among states is more about where employers can find people and skills. The people component is increasing in importance. Most states, including Indiana, have very robust economic development programs that travel the country and the world attempting to encourage employers to locate in their state or region. Indiana has been very successful in its efforts. However, few states, including Indiana, have programs encouraging individuals and families to move to their state.

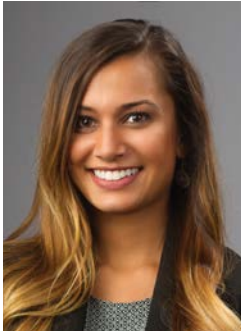
A good example of marketing programs to attract people is in higher education. Colleges and universities have very sophisticated and robust marketing programs to encourage enrollment in their institutions. Those are the types of programs needed to compete for today's workforce population. States that invest in innovative people relocation incentives will outpace those that don't.

Indiana has done a remarkable job for the last 20-plus years in creating a positive business climate that encourages businesses to start, invest, and relocate to our state. Our efforts should be expanded now to not only include business attraction, but also people attraction. Our future depends upon it.



School Accountability Panel and Industry's Role

By Malika Butler, Assistant Vice President of Governmental Affairs, mbutler@imaweb.com, 317-217-6992



Indiana's high school accountability system has been based largely on assessments and graduation rates as the

primary measures for gauging school performance.

While these were an important starting point during the 2019 legislative session, the Indiana General Assembly passed House Enrolled Act 1002 (HEA 1002), which establishes a 15-member School Accountability Panel (SAP). The SAP is responsible for studying the topic of aligning school accountability with Indiana's graduation pathway requirements and recommending new indicators of school performance to replace

current indicators.

The Indiana Manufacturers Association, along with other business stakeholders, key legislators, and educational institutions have been asked to participate on the panel and provide recommendations in the coming months. HEA 1002 represents an opportunity to evolve our accountability system to include the measures that ultimately matter most: student outcomes.

In the review of new indicators of school performance, the panel will take into consideration postsecondary preparation aligned to graduation pathways, student credits, and post-secondary outcomes.

Indiana Graduation Pathways serves as a tool to create an educated and talented workforce able not just to meet the needs of business and

higher education, but able to succeed in all postsecondary endeavors. Ensuring meaningful and quality fulfillment in the requirements of Graduation Pathways is not currently recognized in today's accountability system. And those requirements are tied

directly to the success of our students and our state's economy. The School Accountability Panel will be tasked with the consideration of indicators and metrics to bridge this disconnect by acknowledging the critical role Indiana's K-12 system plays in preparing students for success beyond high school.

As more and more baby boomers retire, the state's labor force will decline, resulting in an estimated projection of 1 million new jobs in the next decade. Across the nation, the changing nature of workforce is a critical challenge for workers, employers, educators, and policymakers. As Indiana grows, its skilled workforce must as well. This will require a systemic change in the role the education system and employers play in providing students with the skills and credentials for the 21st century skilled and ready workforce.

“HEA 1002 represents an opportunity to evolve our accountability system to include the measures that ultimately matter most: student outcomes.”



Workforce Housing Strategy Remains Elusive

By Andrew Berger, Senior Vice President of Governmental Affairs, aberger@imaweb.com, 317-713-5920



Early in the discussion of Indiana manufacturers' workforce challenges, the issue of workforce housing availability was identified as

a key factor in the shortage of skilled workers. This is a complex problem. Some manufacturers in the same community may draw on different workforce housing areas, with larger companies regularly having workers with 50-plus mile commutes. This area may also vary based on the compensation level of the employee and the ability of their income to afford the available homes.

Even a basic question – “How is workforce housing defined?” – has no clear answer. No definition exists in Indiana Code; and the Indiana Housing and Community Development Authority collects no statistics. So while policymakers hear from businesses about difficulties in finding workers because of a lack of

housing, identifying the deficiency is not an easy task.

Data on housing in statewide aggregates has obvious limitations. Even at the county level, where all but 11 of Indiana's 92 counties saw increases in the median home price in the last year, averages do not fully identify the local conditions, which realtors will say applies to neighborhoods or even blocks.

Should you be able to identify the areas of need, the causes of the lack of housing are also complex. Certainly, two complementary trends have added pressure to housing availability: increasing home prices and the slow recovery of new home construction.

Indiana's median sales price in May 2019 was \$161,000. This was an increase of 6.6% in the last 12 months, up from \$151,000. From the depths of the recession in 2009, Indiana's median

sales price has increased from \$110,000 – a 46.4% jump. Overall sales have generally held steady.

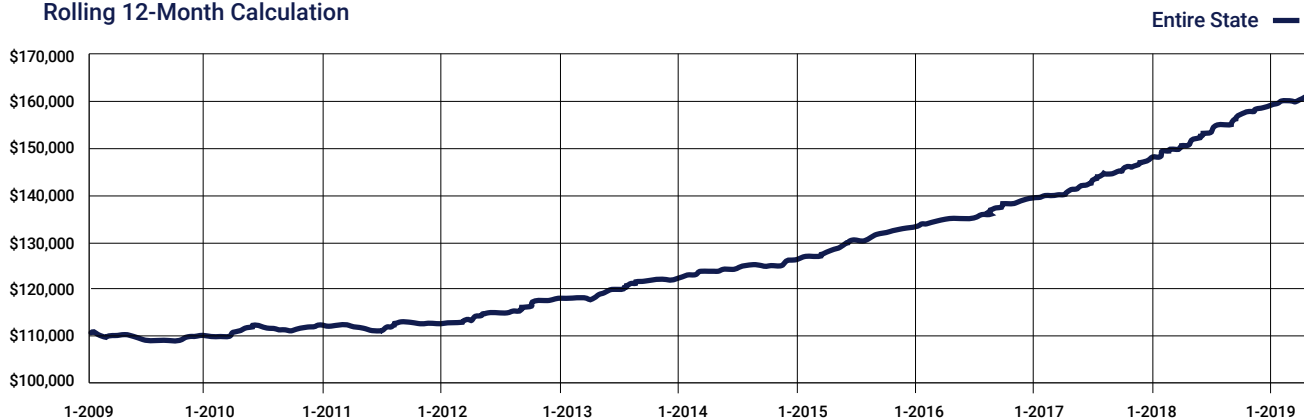
“... while policymakers hear from businesses about difficulties in finding workers because of a lack of housing, identifying the deficiency is not an easy task.”

New housing starts have been steadily increasing from the bottom of the recession, but are nowhere close to the pace of construction prior to 2007. There were 21,480 permit requests for homes in 2018, of which 16,416 were single-family homes.

When there is a lack of capacity, the type of homes that are being constructed becomes even more important. Here, you have the added variables influencing the decisions around housing development. As in any business, the profit motivations of builders should be considered. Municipal building and zoning ordinances also play a role, and the priorities of those local officials that are expressed therein.

These were the discussion points

Median Sales Price
Rolling 12-Month Calculation



A rolling 12-month calculation represents the current month and the 11 months prior in a single data point. If no activity occurred during a month, the line extends to the next available data point.

for two bills that were debated in the 2019 Indiana legislative session. HB 1625 would have required local units to perform a housing impact study of any proposed ordinance that may impact the cost of housing (it failed to pass). The issue, as viewed by the proponents including the IMA, was ordinances requiring the use of certain building materials, minimum lot sizes, or roof pitch angles, for example. These requirements are designed to increase the value of new homes and would thus limit affordable housing.

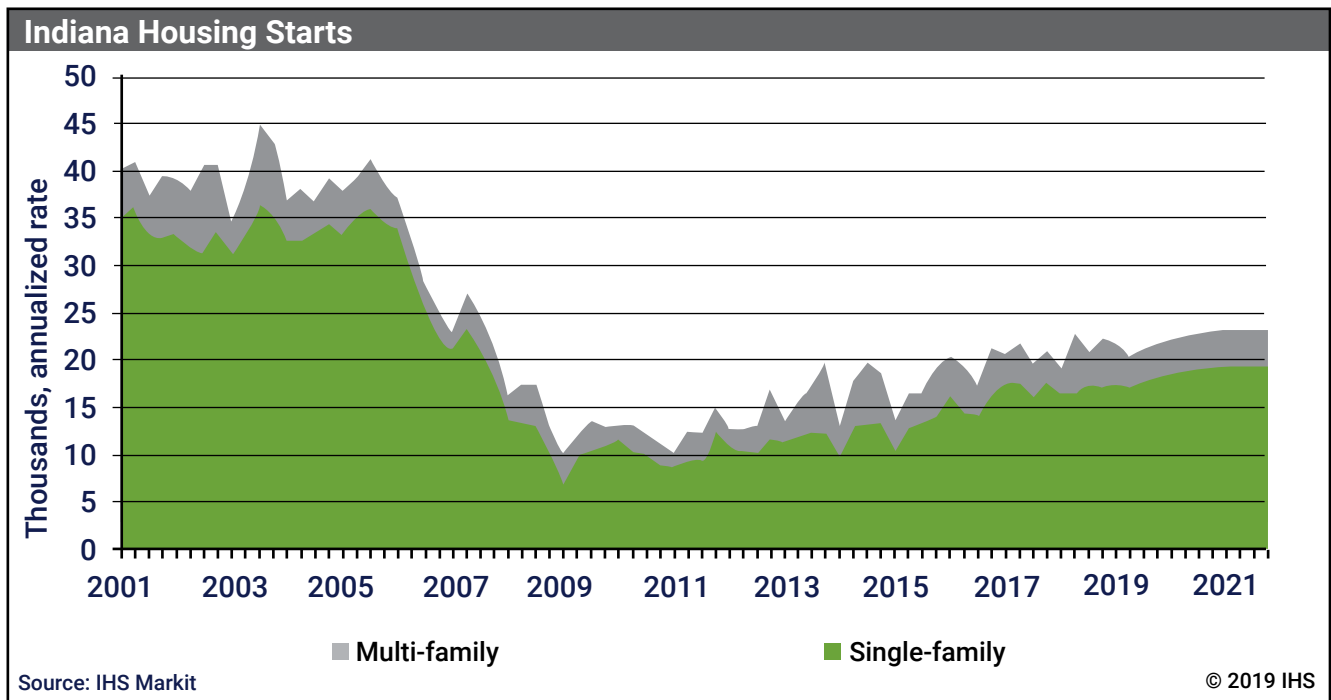
The second bill, SB 566, allows local units to create programs for residential housing using tax increment financing (TIF). In some areas, the profit margin for builders of affordable housing is so slim as to make the construction of these types of developments cost prohibitive. It is hoped that by financing housing developments through TIF, primarily roads and utilities, the cost of affordable, workforce housing will be reduced. But even here, there is no firm definition of workforce housing; and the success of this program will largely

depend on its usage by local government.

Recently, the state announced the creation of the 21st Century Talent Region designation. Local groups should include members from local governments, business, K-12 education, higher education, non-profit(s), economic development and workforce development. They are tasked with building and implementing a plan to “increase education attainment (develop talent), raise household income (connect and retain talent), and grow population (attract talent).” While population growth is intrinsically tied to housing availability, there is no mention of this important point in any workforce discussion in the regional framework beyond a measure of housing costs as a percentage of median income.



While there has been some recognition of the problem by the legislature, as represented by the two pieces of legislation described above, there is still no focus to the problem – much less the solution. The administration's latest effort on workforce development, of which one of the goals is the creation of a “talent dashboard” collecting data from the various participants in the talent region, has no focus on workforce housing. A strategy to address a problem that is apparent to many Indiana employers remains elusive.



Available Indiana Workforce Training Programs

By Malika Butler, Assistant Vice President of Governmental Affairs, mbutler@imaweb.com, 317-217-6992

The following is a summary of all workforce training related programs operated by a state provider in House Enrolled Act 1001. The State of Indiana invests millions in public funds for training resources for Hoosiers to offer incentives, funding, support, or guidance for job training, employment assistance, and/or the attainment of a degree or credential.

<p>INDIANA ADULT EDUCATION Provider: Dept. of Education <i>Receives \$14,452,990 for FY19-20 and FY20-21</i></p>	<p>Indiana Adult Education programs provide math, reading, and writing instruction free of charge to help individuals acquire basic skills needed to earn a High School Equivalency (HSE), go to college, or enter an entry-level occupational certification program.</p>
<p>JOBS FOR AMERICA'S GRADUATES PROGRAM (JAG) Provider: Dept. of Workforce Development <i>Receives \$8 M for FY19-20 and FY20-21</i></p>	<p>JAG is a state-based, national non-profit organization dedicated to preventing the most at-risk students from dropping out of high school.</p>
<p>NEXT LEVEL JOBS: EMPLOYER TRAINING GRANT Provider: Dept. of Workforce Development <i>Receives \$20 M for FY19-20 and FY20-21</i></p>	<p>The Next Level Jobs Employer Training Grant program reimburses employers who train, hire, and retain new or incumbent workers to fill in-demand positions within recognized job fields. The grant will reimburse employers up to \$5,000 per employee who is trained, hired, and retained for six months, up to \$50,000 per employer.</p>
<p>HOOSIER INITIATIVE FOR RE-ENTRY (HIRE) Provider: Indiana Department of Correction/ Dept. of Workforce Development <i>Receives \$648,472 for FY19-20 and FY20-21</i></p>	<p>The Hoosier Initiative for Re-Entry (HIRE) helps ex-offenders reintegrate into society to become a taxpayer instead of a tax burden. The program is led by the Department of Workforce Development (DWD), in collaboration with the Indiana Department of Corrections (IDOC), and other local and statewide partners. The top industries for placement are production (48%), restaurant (15%), warehouse (9%), and construction (7%). The average wage of individuals placed by the HIRE program over the past three years is about \$10.56 per hour.</p>
<p>OFFICE OF WORK-BASED LEARNING AND APPRENTICESHIP Provider: Dept. of Workforce Development <i>Receives \$600,000 for FY19-20 and FY20-21</i></p>	<p>The Office of Work-Based Learning and Apprenticeship, located within the Department of Workforce Development, serves to develop and implement a framework of various work-based learning pathways for both youth and adult populations. To accomplish this, the office coordinates efforts and partners with the U.S. Department of Labor to expand registered apprenticeships, develops flexible and scalable programs that focus on the state's key economic sectors and regional high-wage, high-demand occupations, and builds public-private partnerships to increase business and industry engagement with education systems.</p>
<p>WORKINDIANA Provider: Dept. of Workforce Development <i>Receives \$1 M for FY19-20 and FY20-21</i></p>	<p>The WorkINDiana program gives adult education students the ability to concurrently and contextually earn a high school equivalency certificate and an industry-recognized certification.</p>
<p>The Skills Enhancement Fund (SEF) Provider: Indiana Economic Development Corp. <i>Receives \$12.5 M for FY19-20 and FY20-21</i></p>	<p>SEF is an incentive program utilized by the Indiana Economic Development Corporation (IEDC) that provides businesses with an opportunity to receive funding for training employees.</p>
<p>ADULT LEARNER PROGRAM Provider: Dept. of Education <i>Receives \$40,331,250 for FY19-20 and FY20-21</i></p>	<p>The Adult Learner Program is a program funded out of the Department of Education that provides opportunities for charter schools to re-engage adults without a high school diploma.</p>
<p>CAREER NAVIGATION AND COACHING SYSTEM Provider: Governor's Workforce Cabinet <i>Receives \$1 M for FY19-20 and FY20-21</i></p>	<p>The Career Navigation and Coaching System appropriation develops parameters around which consortia of locals, including sector groups, businesses, philanthropic organizations, educators, and local workforce boards and leaders, can partner to receive funding for more intentional, in-school career coaching that aligns with regional needs.</p>

2019 IMPAC Clay Target Shooting Fundraiser Set for September 10th

Help support pro-business candidates at the Indiana Manufacturers Political Action Committee's 3rd Annual Clay Target Shooting Fundraiser on September 10th. We will meet at the Indiana Gun Club, located at 14926 East 113th St., in Fortville.

Beginner registration will commence at 9 a.m., with beginner instruction at 9:15 a.m. Experienced shooters may register at 9:30 a.m., and all attendees will be required to attend the mandatory safety instruction beginning at 9:45 a.m. Shooting will begin at 10 a.m., followed by lunch at noon.



Cost for this year's event is \$300 per person. *If you'd like to sponsor the event, there are three levels of opportunity– Welcome Sponsor (\$500); Lunch Sponsor (\$800); or Event Sponsor (\$1,000).*

Please note that all payments for this event are contributions to the IMPAC (Indiana Manufacturers Political Action Committee).

Register or sign up to sponsor by visiting the IMA website (www.imaweb.com/events). Should you have questions, please contact Kathy Gundle at kgundle@imaweb.com.

Indiana Manufacturing Rankings as of May 2019

MANUFACTURING JOBS ADDED MAY 2019		
State	Jobs Added	Rank
Michigan	191.3	1
Indiana	117.6	2
Ohio	94.6	3
Texas	76.6	4
California	68.0	5
Florida	63.1	6
Georgia	57.9	7
Tennessee	55.0	8
Wisconsin	50.6	9
South Carolina	47.2	10

Indiana ranks 2nd in the nation in manufacturing jobs added since 2009. *Note: Numbers are in the thousands.*

MANUFACTURING JOB GROWTH MAY 2019		
State	Rate of Growth	Rank
Nevada	49.7%	1
Michigan	43.3%	2
Idaho	29.7%	3
Indiana	27.6%	4
South Dakota	25.5%	5
Utah	23.6%	6
South Carolina	22.6%	7
Kentucky	21.7%	8
Oregon	21.3%	9
Florida	19.8%	10

Indiana ranks 4th in the nation in manufacturing job growth since July 2009.

Update on the Governor's Workforce Cabinet

By PJ McGrew, Executive Director, Indiana Governor's Workforce Cabinet.

The Governor's Workforce Cabinet (Cabinet) is a 23-member board created in the 2018 legislative session via SEA 50. The Cabinet replaced the State Workforce Innovation Council that existed under the Department of Workforce Development and serves as the state workforce board under the federal Workforce Innovation and Opportunity Act. The Cabinet is also charged with creating alignment across the education and workforce system, and works closely with a number state agencies to develop and refine programs serving both Hoosiers and the state's employers. There are a number of initiatives in which members of the IMA can get involved.

FUNDING ADDED TO NEXTLEVEL JOBS PROGRAMS

- **Employer Training Grants**—The Employer Training Grant program, under the Department of Workforce Development, was expanded to now include \$20M per year for employers to access up to \$50,000 to train new hires or incumbent workers. To date, the Employer Training Grant program has served nearly 450 employers and over 6,000 individuals.

- **Workforce Ready Grants**—The Workforce Ready Grant program, non-credit and credit bearing certificate programs, offered by a number of providers to train individuals in the state's key economic sectors, received an increase in funding to the non-credit bearing program. The total amount of non-credit bearing funding available is now \$4M. Additionally, the WorkINdiana certification program is being combined with the Workforce Ready Grant program under the NextLevel Jobs initiative. Both programs allow individuals to receive certificate training in certain areas, so merging these into one program will streamline activity, better leverage state

and federal resources, and highlight occupations that provide opportunities for economic self-sufficiency. This will also allow local workforce boards to monitor the progress through the NextLevel Jobs portal of all individuals they help connect to the Workforce Ready Grant program.

More information about both of these programs may be found at: www.nextleveljobs.org.

OPPORTUNITIES FOR ENGAGEMENT

The Cabinet is guiding several initiatives over the next few months that will offer the manufacturing community opportunities to engage with secondary and postsecondary education:

- **Local Career Coaching Grants**—The Local Career Coaching grant provides an opportunity for schools (K-12 and postsecondary), employers, and community-based organizations to partner together to create a sustainable system for the delivery of comprehensive career information. The goal of this grant is to help students and parents make well-informed decisions as to how best to move toward a path of economic prosperity. Partnerships with employers are essential to ensuring the success of this grant.

- **Professional Development for Teachers**—Most teachers renew their licenses through professional growth plans (PGPs), which require the completion of 90 credits over five years. Teachers now must ensure 15 of those 90 credits focus on career navigation and awareness. There is a great deal of flexibility in how educators can complete

this professional development. We look forward to seeing the innovative partnerships that emerge between schools and businesses to foster greater career awareness for Hoosier students.

• Industrial Collaboration

Organizations—The General Assembly created Industrial Collaboration Organizations (ICOs) as another opportunity to foster partnerships between schools and businesses.

These organizations are non-profits that conduct activities for the purposes of enhancing career and technical education and work-based learning opportunities for students in alignment with state and regional



workforce needs. Additional information is forthcoming.

CHANGES TO CURRENT CAREER AND TECHNICAL EDUCATION STRUCTURE

The Cabinet is excited to announce that effective July 1, the state centralized career and technical education (CTE) under the Carl D. Perkins program. After collaborating with state agencies, including the Department of Education (DOE), Indiana Association of CTE Districts, institutions of higher education, and employers, the consensus was that the state's CTE structure was unnecessarily complex. Moving CTE functions to the Cabinet ensures all statewide entities involved in CTE have a voice in determining the new state plan required by the federal government. This change means a more efficient use of time and money at the state level, resulting in better service and resources for the local level.

The Arc of Indiana's Erskine Green Training Institute is Helping Fill Workforce Gaps in Indiana

By Andy Kirby, Associate Executive Director of The Arc of Indiana and Executive Director of The Arc of Indiana Foundation. For more information, visit www.erskingreeninstitute.org or call 765-381-8071.



Occam's Razor, or the Principle of Parsimony, theorizes that the best solution to a problem is usually the one

that is the most simple and obvious. In Indiana, as in most other states, we are dealing with a couple of significant problems that are proving to be quite difficult for our communities to solve. Number one - 80% of our citizens with disabilities are unable to find meaningful work in their communities; and number two - most businesses have many more open positions than they have qualified and acceptable candidates to fill them. To me, the simplest and most obvious solution (Parsimony Principle) is a strategic and intentional relationship that connects these issues and provides the opportunity for each to help the other.

Connections start with introductions, so I would like to formally introduce you to the Erskine Green Training Institute and provide you with information that illustrates the value of our training program and explains the opportunities that exist when industries are committed to issues like diversity and inclusion.

The Arc of Indiana was challenged to provide a meaningful and effective solution to the high unemployment rate for people with disabilities in our state. To accomplish this goal, The Arc of Indiana created and initiated the Erskine Green Training Institute

(EGTI). Carl Erskine and Steve Green have been champions of the work that The Arc of Indiana has been doing for decades, and we were honored and happy to memorialize their contributions to people with disabilities by including their names as part of our identity. For those who are unaware, Carl was a pitcher for the Brooklyn Dodgers and a teammate of Jackie Robinson, and Steve Green was Bob

Knight's first recruit on IU's basketball team and was a member of the Indiana Pacers basketball team. Carl and Steve also both have children with disabilities and have pushed and advocated for more opportunities for people with disabilities to work in their communities.

Housed within the Courtyard by Marriott in Muncie, Indiana, the program provides a unique, personalized training experience for each student. During the 10-13 week training sessions, students attend class, master key job skills, and gain valuable work experience through an internship. In addition to hands-on job training, the curriculum addresses critical soft skills like appropriate workplace etiquette, teamwork, taking direction, and effective communication skills.

After three and a half years in operation, EGTI has graduated 150 individuals; and to date, 80% of them have been able to secure employment in the community. Just as impressive, 75% percent of our graduates were still employed after 18 months.

Employers have expressed high levels of satisfaction and graduates have increased their independence and are significantly contributing to their local communities.

One of our many success stories is a young man named Zach, who struggled with positive community employment outcomes and did not find traditional post-secondary educational institutions to be a viable option. He attended EGTI and was trained in

our *Supply Chain: Inventory Distribution* program in conjunction with our *Health Care Support* curriculum. After several weeks of learning the technology utilized to manage inventory, the inventory control process, following directions and instructions, and working within a team environment, Zach was able to transfer his skills to a manufacturing setting and has been working at a very large vehicle manufacturing facility ever since.

There are thousands of people just like Zach across our state. They have the desire and the ability to work. What they need are the skills and training to succeed in the workforce and then for someone to give them the opportunity. There are also thousands of open positions, many at businesses like yours, that need individuals just like Zach. As I mentioned above, most of the time the best solution to a problem is usually the one that is the most simple and obvious. EGTI will continue to graduate skilled and prepared graduates ... our hope is that they are given sufficient opportunities to prove their value at businesses like yours across the state.

“After three and a half years in operation, EGTI has graduated 150 individuals; and to date, 80% of them have been able to secure employment in the community.”



Creating a New Talent Pipeline: Indiana State University Engineering Program is Addressing Indiana's Workforce Goals

By Greg Goode, Executive Director of Governmental Relations and University Communications, Indiana State University. For more information on ISU's engineering program, visit www.indstate.edu/engineering.

Fulfilling its promise to the state of Indiana with the creation of a new engineering talent pipeline that is essential to manufacturing, aviation, infrastructure, and logistics, Indiana State University is the newest provider of engineering programs.

"Because of the wise leadership of our state leaders around fiscal responsibility and investment in education and infrastructure, Indiana businesses are thriving and competing globally," said Deborah Curtis, president of Indiana State. "Our state must have a workforce to meet the demands of future economic prosperity, and Indiana State University is addressing this with our Engineering Initiative."

The Indiana State engineering degree offers a choice of three disciplines—mechanical, civil, and industrial—and prepares Indiana residents to become licensed professional engineers who are in high demand throughout the state.

"There is a tremendous need in business and industry for engineers who not only possess the technical fundamentals, but also have expertise in broad areas such as problem-solving, entrepreneurship, and innovation," said Mike Licari, provost and vice president for Academic Affairs at Indiana State.

Civil engineering, with job growth projections by the U.S. Bureau of Labor Statistics at 7 percent by 2026, focuses on structural analysis, concrete design, waste-water/drinking-water system design, transportation and traffic design, and hydrology. Mechanical engineering—with projected job growth of 15 percent—focuses on machinery dynamics and heat transfer analysis. With a projected job growth of 7 percent, industrial engineering focuses more on the management side of manufacturing, including liability of machinery, and other human factors of industry and operations.

In developing the program, Indiana State received strong support from the Indiana Manufacturers Association (IMA) as well as from leaders in aviation, construction, and engineering organizations including FedEx, Duke Energy, and the Institute of Transportation Engineers. The Indiana Commission for Higher Education approved the program in 2017.

"Indiana is the 'Crossroads of America,' and business opportunities in manufacturing and supply chain management continue to grow in communities around our state," said Brian Burton, president of the IMA and an Indiana State graduate. "Indiana State's engineering programs come at precisely the right time when demands for talent in the state have never been higher."

Demand is also increasing for engineers in renewable energy and robotics. The median annual wage for an engineer is \$80,170, according to the U.S. Bureau of Labor Statistics. Once employed, these engineers stay employed: the unemployment rate for engineers is just 2.3 percent.

"Indiana State's engineering program is built on our strong foundation of technology education rooted in real-world, experiential learning," said Nesli

Alp, dean of the College of Technology. "It is a very good time to choose engineering as a profession. Demand for engineers is increasing, and new opportunities will continue to emerge as a result of new technologies."

Indiana State also offers an engineering technology program, which is designed to train field engineers or those who implement the plans created by an engineer. Each academic program at Indiana State offers hands-on learning opportunities plus essential workplace skills, making students career-ready upon graduation.

For more information, go to indstate.edu/majors.



INFAME Fort Wayne Conference Draws Nearly 60 Area Employers and Educators

The Indiana Federation for Advanced Manufacturing Education (INFAME) held its latest event at Steel Dynamics Inc., in Fort Wayne, on July 12. The event attracted approximately 60 area business leaders and educators to learn more about the Advanced Manufacturing Technician (AMT) Program and how companies can work with other area manufacturers to open a local chapter and help build a pipeline of available workers for the manufacturing industry.

The agenda included a discussion among Indiana stakeholders, as well as information about a national expansion of the AMT program. Those interested may visit www.indianafame.com or contact Andrew Berger of the IMA at aberger@imaweb.com.



A large graphic with a background image of a fountain at sunset. The fountain has several jets of water, some of which are illuminated with blue and purple lights. The sky is a mix of orange, yellow, and blue. In the background, there are trees and a building. On the left side, there is a vertical bar with horizontal stripes in shades of blue. Overlaid on the image is a white box with the text "BLUE MAKES INDIANA STRONGER." in blue and black. Below this, there is another white box with the text "Sycamores have an edge on the competition. Our graduates enjoy a 94% placement rate—and 71% of them stay in Indiana." in black. At the bottom left, there is the Indiana State University logo, which consists of a blue square with a white outline of the state of Indiana, followed by the text "Indiana State University" in black.

Conexus Indiana-Sponsored Study Finds Immigration a Net Benefit to the Manufacturing Industry

By J. Mark Howell, President and CEO of Conexus Indiana



A study conducted by the Ball State Center for Business and Economic Research (CBER) and commissioned by Conexus

Indiana found that immigration to Indiana has a net benefit to the manufacturing industry and the state overall.

Rising immigrant populations are helping to stabilize the population in many rural communities. Between 1990 and 2016, 17 Indiana counties saw a total population loss while simultaneously experiencing an increase in their foreign-born population. Another two counties would have experienced a population

loss if not for their added immigrant population. Of these 19 counties, 15 are rural. Overall, between 2000 and 2015, a full 25 percent of Indiana's population growth was a result of immigration.

“Immigrants may represent the best chance for population growth in many communities in the foreseeable future. These newcomers will bolster the local job markets, fill up classrooms, and become contributing members to our com-

munities,” said Emily Wornell, a research assistant professor with the Indiana Communities Institute at Ball State. The rise in immigrant populations also has the potential to help offset the labor shortage the manufacturing industry is currently experiencing and expecting in the coming decades. The study found that nearly a quarter of the immigrant population in Indiana is employed in the manufacturing industry compared to 18 percent of the native-born population. This makes manufacturing the most popular industry for immigrants in Indiana.

The study also explained that while immigrants are adding themselves to the labor supply, immigrant workers and their families are driving demand for consumer goods and services, resulting in further economic growth in Indiana. Labor statistics further demonstrate that based on unemployment rates, labor market participation, and the average number of workers per household, foreign-born Hoosiers are more economically active than native-born populations, and in 2014 alone contributed \$65 million to local and state taxes.

“Immigration in Indiana is fiscally, educationally, and demographically

important, and likely marks an environment of increasing economic opportunity,” Wornell said. “Overall, we find that immigration, regardless of authorization status, is an important source of

fiscal, economic, and demographic health for Indiana's future.”

Conexus Indiana has been positioning the Hoosier State as the best place for advanced manufacturing and logistics industries to invest, employ, and succeed for more than a decade. By collaborating with academic

partners like the Ball State CBER on studies such as this, Conexus has invested in expanding opportunities for Hoosiers and industry alike.

Conexus Indiana was proud to sponsor this research in order to gain impactful knowledge about the Hoosier community. Given the manufacturing workforce gap that Indiana faces, we commissioned this study to better understand how immigrants could positively impact the manufacturing and logistics workforce.

The study provides clear evidence: foreign-born Hoosiers are an integral part of Indiana's community and economic future. This reflects the overwhelmingly successful history of immigration in the United States and provides an opportunity for Indiana to grow demographically and economically.

“The study found that nearly a quarter of the immigrant population in Indiana is employed in the manufacturing industry ...”



Participate in the Indiana Manufacturing Survey

The Indiana Manufacturers Association, Katz, Sapper & Miller, and Indiana University's Kelley School of Business are pleased to announce the 13th annual survey to assess the state of Indiana's manufacturing and distribution industries.

Your participation in this survey is critical. Your investment of time will go a long way toward gaining a better understanding of current market trends and best practices in the manufacturing industry.

Respondents will receive a copy of the final results, once released. The survey provides key insights and market trends that often lead to industry improvement.

Your response to the survey will remain confidential. To take the survey, visit www.bit.ly/INMfg19.

The results from the 2018 *Indiana Manufacturing Survey, Industry 4.0 Has Arrived*, revealed that as Indiana's largest industry sector enjoys continued growth in revenues and profits, its employers are investing heavily in automation and manufacturing efficiency, welcoming an industry movement that, nationally, has been dubbed "Industry 4.0." To see the results of the 2018 survey, visit www.bit.ly/2018INMfg.



The Conexus Interns program gives you a foot in the door, and that means everything to someone just starting out. Once a company knows you, and they know how dedicated you are, they'll give you that first chance you need and hire you.

-**Griffin Hisle**, a Conexus Intern for Mursix since 2016 and May 2019 high school graduate. In the fall he will start at Vincennes University to pursue a degree in precision machinery, specializing in regular and automated machines.



Reach out to Conexus Indiana today to host an intern: conexusindiana.com

Conexus Interns is an internship program that places high school students in advanced manufacturing and logistics companies throughout Indiana. These students apply what they've learned in the classroom, update their impressions of industry, network with local employers, and earn fair wages. The benefit to the company is obvious: seeing the best and brightest potential employees in action. And, the student benefits are just as compelling: Interns can leverage their experience into high-tech, high wage careers.

Private Health Plans Pay Hospitals 241% of What Medicare Would Pay

By RAND Health Care and the Employers' Forum of Indiana.

An examination of U.S. hospital prices covering 25 states shows that in 2017, the prices paid to hospitals for privately insured patients averaged 241% of what Medicare would have paid, with wide variation in prices among states, according to a new RAND Corporation study.

Some states (Kentucky, Michigan, New York, and Pennsylvania) had average relative prices that were 150% to 200% of what Medicare paid, while other states (Colorado, Indiana, Maine, Montana, Wisconsin, and Wyoming) had average relative prices that were 250% to 300% of what Medicare would have paid.

The analysis of 1,598 hospitals is a broad-based study of prices paid by private health plans to hospitals and is unique in presenting price information about a larger number of hospitals across many states.

Researchers analyzed health care claims for more than 4 million people, with information coming from self-insured employers, two state all-payer claims databases, and records from health insurance plans that chose to participate. For each private claim, researchers re-priced the service using Medicare's grouping and pricing formulas.

The analysis was done in collaboration between RAND

and the Employers' Forum of Indiana, an employer-led health care coalition. The Forum participated in study design and recruitment, while the analysis was done by RAND researchers.

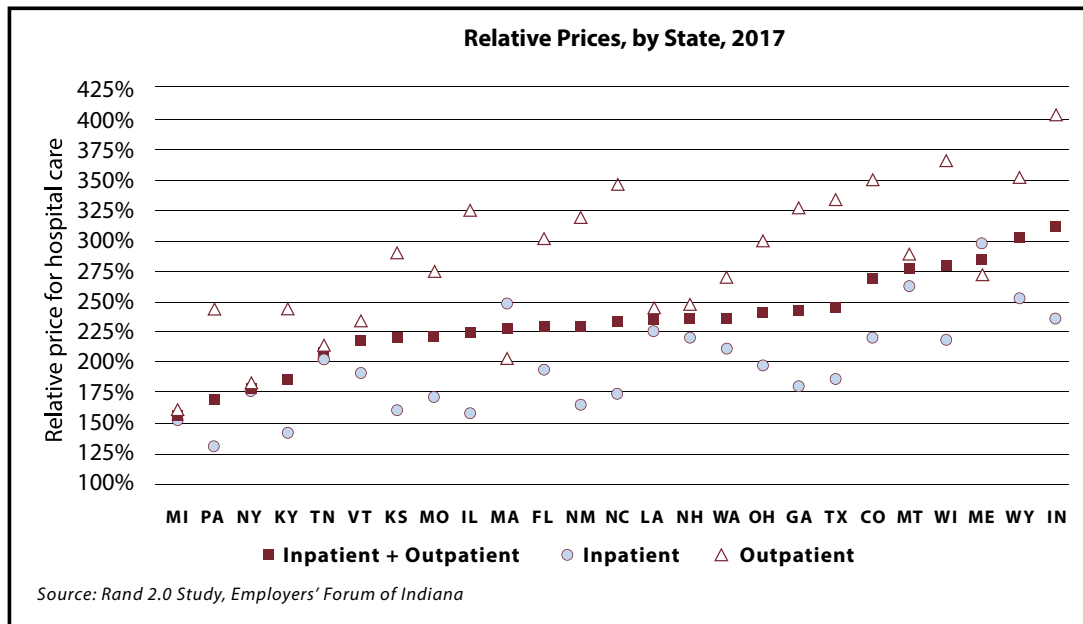
"The widely varying prices among hospitals suggests that employers have opportunities to redesign their health plans to better align hospital prices with the value of care provided," said Chapin White, the study's lead author and an adjunct senior policy researcher at RAND, a nonprofit research organization. "Employers can exert pressure on their health plans and hospitals to shift from the current pricing system to one that is based on a multiple of Medicare or another similar benchmark."

If employers and health plans participating in the study had paid hospitals using Medicare's payment formulas, total payments over the 2015-2017 period would have been reduced by \$7 billion—a decline of more than 50%.

The RAND study found that hospital prices relative to Medicare increased rapidly from 2015 to 2017 in Colorado and Indiana, while they fell in Michigan over the same period. Prices also vary widely among hospital systems, ranging from 150% of Medicare prices, at the low end, to 400% of Medicare

prices at the high end.

A large portion of private health insurance contracting for hospitals is done on a discounted-charge basis where the insurer agrees to pay a percentage of billed charges. By contrast, Medicare issues a fee schedule that determines the price it will pay for each service, with adjustments for



inflation, hospital location, the severity of a patient's illness, and other factors.

RAND researchers recommend that private insurers move away from discounted-charge contracting for hospital services and shift to contracting based on a percent of Medicare or another similar fixed-price arrangement.

"Employers can also encourage expanded price transparency by participating in existing state-based all-payer claims databases and promoting the development of such tools," White said. "Transparency by itself is likely to be insufficient to control costs, so employers may need state or federal policy changes to rebalance negotiating leverage between hospitals and their health plans."

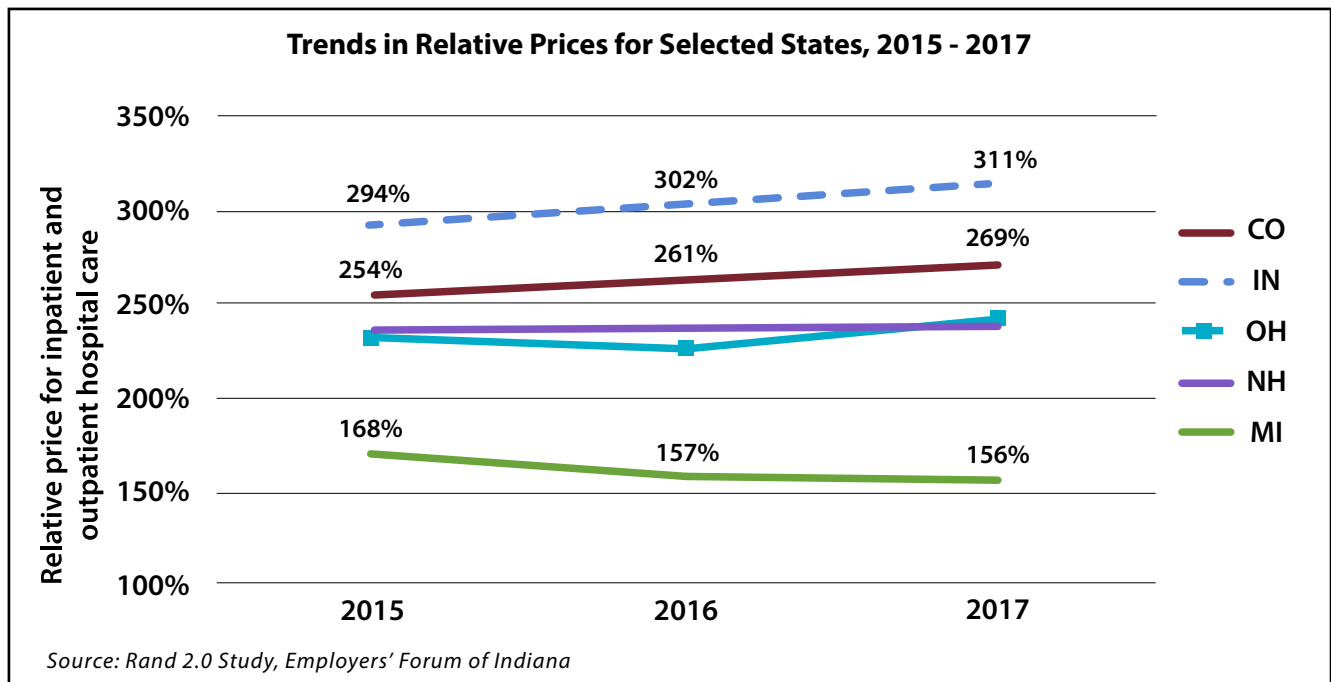
Such legislative interventions might include placing limits on payments for out-of-network hospital care or allowing employers to buy into Medicare or another public option that

pays providers based on a multiple of Medicare rates.

Hospitals included in the analysis are from Colorado, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Maine, Michigan, Missouri, Montana, North Carolina, New Hampshire, New Mexico, New York, Ohio, Pennsylvania, Tennessee, Texas, Vermont, Washington, Wisconsin, and Wyoming.

Support for the study was provided by the Robert Wood Johnson Foundation, the National Institute for Health Care Reform, the Health Foundation of Greater Indianapolis and participating employers.

The report, *Prices Paid to Hospitals by Private Health Plans are High Relative to Medicare and Vary Widely: Findings from an Employer-Led Transparency Initiative*, is available at www.rand.org.



The IMA Board of Directors heard a presentation by Gloria Sachdev, CEO of the Employers' Forum of Indiana (pictured at left), at its June 3rd meeting. Ms. Sachdev gave comparisons of hospital inpatient and outpatient costs relative to Medicare, as well as Indiana's hospital care standing compared to other states. Indiana ranks the highest in relative price for hospital care among all 25 states included in the study. In response, the IMA is forming a committee to study the issue in hopes of passing legislation that will reduce costs for Indiana businesses and consumers.

IDOC Certified Manufacturing Training: A Ready Workforce

By Sherm Johnson and Doug Evans, Indiana Department of Corrections. For more information, contact Sherm at shjohnson@idoc.in.gov or Doug at devans@idoc.in.gov.

Governor Holcomb's Next Level Jobs agenda has a focus on growing Indiana's manufacturing workforce.



Providing in-demand, high-wage certification training to residents of the Indiana Department of Correction (IDOC) is an important component of the Governor's agenda. His agenda supports the expansion of Indiana's advanced manufacturing, logistics, information technology, and construction sectors. IDOC residents demonstrating a determination to make positive changes in their lives are now returning to Indiana communities with in-demand skills to fill open jobs in growing companies.

During his 2018 State of the State Address, Governor Holcomb challenged DOC Commissioner Rob Carter to graduate 1,000 inmates annually with high-value credentials by 2020.

At the end of 2018, DOC reported 1,071 residents were awarded 2,065 high-value credentials.

To achieve the Governor's objectives, DOC partners with Ivy Tech, Vincennes University, Oakland City University, Purdue MEP, and Conexus Indiana to deliver training utilizing the facilities, equipment, and professional instructional capacity of these institutions to assure a consistently high standard of training rigor.

Occupational-level advanced

manufacturing certifications awarded include: American Welding Society and the National Institute for Metal Working Skills (NIMS) certification in CNC Operations.

Foundational-level manufacturing certifications include the MSSC Certified Production Technician (CPT), a certificate from Purdue MEP for successfully completing the Skills for Success course, or Conexus Indiana representing Catapult Indiana.

Once the qualified IDOC resident earns a certification, they are enrolled in the HIRE Academy, which is delivered by the IDOC's Hoosier Initiative for Re-entry. Participants learn soft skills, work ethic capabilities, interviewing skills, resume development, conflict resolution strategies, digital/financial literacy, and community reintegration tools.

Why should a company with a workforce need consider being a second chance employer?

The Society for Human Resource Management (SHRM) reports that 82% of managers believe the "quality of hire" for workers

with a criminal record is as high or higher than for workers without records. Additionally, 74% believe the cost of hire is the same or lower than those without criminal records.

Northwestern University's Kellogg

Insight reports the turnover rate of those with criminal records is 13% lower than those without a record. They are loyal to their employer because they don't have as many options to work elsewhere.

Currently, DOC houses nearly 27,000 adults in its 18 adult facilities. Each year, DOC releases 10,000–15,000 inmates back to Indiana communities.

The selected and vetted inmates participating in these training programs are ONLY those who have demonstrated, by their behavior, a willingness to make a change in their lives and earnestly looking for a second chance. Those participating in the NIMS CNC Operator and AWS Welding programs are minimum security level offenders transported to Ivy Tech or Vincennes

University campus sites for instruction.

Indiana manufacturers that partner with the DOC and its HIRE program to employ released residents have access to detailed background information not available for an "off-the-street" applicant.

The benefits of hiring a released DOC resident possessing certified/documented skills include higher worker productivity and reduced turnover expense.

Employers are also eligible to receive tax

savings through the Federal Workforce Opportunity Tax Credit (WOTC) program. The available Federal bonding program is purposed with employer risk mitigation. Visit NextLevelJobs.com to learn more!

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IMA Hosts IMPAC Golf Outing

IMA held its annual IMPAC Golf Outing on Thursday, June 13th, at Dye's Walk Country Club in Greenwood. First-place winners at this year's outing were (left to right) Bryan Back, Brad Weiss, Stephen Short, and Jordan Mayer, all from Katz, Sapper & Miller, LLP.

We especially want to thank our sponsors, including:

Gold Sponsor: Anthem Inc. **Silver Sponsors:** Duke Energy Indiana, LLC; Heritage - Crystal Clean, LLC; Katz, Sapper & Miller, LLP; and Matrix Integration. **Patron Sponsors:**



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IMA thanks all who sponsored and participated!

IMA Regional Manufacturing Summits Attract Area Employers

Industry representatives and community leaders gathered on June 5, 2019, at Honda Manufacturing Indiana, Inc. for an update on the State of Indiana Manufacturing and a presentation by KSM Location Advisors on local incentives and how manufacturers can use them to offset costs associated with new capital investment, training, and more.

Thanks to IMA Board Member Tim Kiste and Honda for graciously providing lunch and a tour of their state-of-the-art manufacturing facility.



UPCOMING IMA EVENTS

IMPAC Clay Target Shooting

Sept. 10, 2019

Indiana Gun Club, Indianapolis

OSHA 10-Hour General Industry Outreach Training

Sept. 16-17, 2019

IMA Conference Center, Indianapolis

OSHA 30-Hour General Industry Outreach Training

Sept. 16-19, 2019

IMA Conference Center, Indianapolis

Manufacturing Day Event at Major Tool & Machine

Oct. 1-2, 2019

Indianapolis

Indiana Manufacturers Hall of Fame Luncheon and Awards

Oct. 16, 2019

Biltwell Event Center, Indianapolis

OSHA 10-Hour General Industry Outreach Training

Nov. 11-12, 2019

IMA Conference Center, Indianapolis

OSHA 30-Hour General Industry Outreach Training

Nov. 11-14, 2019

IMA Conference Center, Indianapolis

Visit www.imaweb.com/events to learn more or register.

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101 West Washington St.,
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Heritage-Crystal Clean, an IMA member and affinity partner focuses on the environmental service needs of manufacturers. The company boasts an outstanding record of environmental compliance. HCC offers the following IMA member-only pricing on environmental services:

- o Minimum 25% discount on all services
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- o Significant cost reduction to IMA members

For member's discount pricing, please contact Dean Popovich 877-938-7948



www.crystal-clean.com