



STATE OF INDIANA  
OFFICE OF THE GOVERNOR  
State House, Second Floor  
Indianapolis, Indiana 46204

**Eric J. Holcomb**  
*Governor*

March 1, 2020

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The Honorable R. Eugene Scalia, Secretary of Labor United  
States Department of Labor  
200 Constitution Ave. NW  
Washington, DC 20210

Dear Secretary Scalia,

I write to respectfully request that Indiana be granted continued authority to waive certain requirements previously granted and authority to waive new requirements under the Workforce Opportunity and Innovation Act. The requirements are as follows:

1. The requirement outlining the membership of the State Workforce Development Board (SWDB). ETA approved the unique structure of the Governor's Workforce Cabinet in order to streamline board size, increase coordination between employers and state government, and improve board accountability.  
The WIOA requirement for SWDB membership at WIOA Sec. 101(b)(1) and (c) and the corresponding regulations at 20 CFR 679.110(b)-(c) continues to impede the ability of Indiana to implement its plan to improve the workforce development system, and I ask for continued support in utilizing the Cabinet structure promulgated under Senate Enrolled Act 50, Indiana Code 4-3-27.
2. The requirement that states and local areas expend 75 percent of all Governor's reserve and local formula youth funds on Out-of-School Youth under WIOA Section 129(a)(4)(A) and 20 CFR 681.410. ETA previously determined that the requirements requested to be waived impede the ability of Indiana to implement its plan to improve the workforce development system and granted Indiana the authority to lower the target rate for Governor's reserve and local youth funds to 50 percent. The WIOA youth fund formula continues to impede the ability to effectuate the plan to improve the workforce system, and I ask for continued support in an innovative state focused approach to targeting youth funds.
3. The State of Indiana requests a waiver to expand the use of funding under the Trade Adjustment Assistance for Workers Program to be used for reemployment for workers affected by foreign trade and those workers needing training to prepare for automation under the Trade Act of 1974, as amended (the Act) (codified at 19 U.S.C. §§ 2271 et seq.), Title II, Chapter 2, and The Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA 2015 or 2015 Program). Additionally, we request the Department of Labor waive the Department's recapturing of unexpended TAA funds from Indiana and allow unexpended funds to be utilized for retraining for transitions to automation for employers. Individuals impacted by foreign trade will be prioritized first under TAA to ensure receipt of services.
4. The requirement for 90 day job retention services under SNAP regulations at 7 CFR

273.7(e)(1)(viii), I ask for a waiver to approve the Family and Social Services Agency of Indiana to operate a demonstration project allowing eligible SNAP Employment and Training (SNAP E&T) program participants to receive up to one year of job retention services.

If you have any questions or would like to discuss this further, please contact me or the Executive Director of the Governor's Workforce Cabinet, P.J. McGrew, at [PaMcGrew1@gov.in.gov](mailto:PaMcGrew1@gov.in.gov). We appreciate your consideration and look forward to a positive response.

Sincerely,

A handwritten signature in black ink, reading "Eric J. Holcomb". The signature is written in a cursive, slightly stylized font. The first name "Eric" is written in a more compact, blocky style, while "J." is a small, simple dot. "Holcomb" is written in a more flowing, cursive script. The signature is positioned above a horizontal line that extends to the right.

Eric J. Holcomb  
Governor

## **WAIVER REQUEST 1 STATE OF INDIANA**

### **Waiver or State Workforce Board Membership**

#### **1. Statutory and/or Regulatory Requirements the State would like to Waive:**

State Workforce Development Board (SWDB) Membership and Establishment Workforce Innovation and Opportunity Act (WIOA) requirement for SWDB membership WIOA Sec. 101(b)(1) and (c) and the corresponding regulations at 20 CFR 679.110(b)-(c): requirement to appoint specific members to the board described in this CFR section. The membership of the current Governor's Workforce Cabinet (Cabinet) may be found under Section III – Operational Elements, (A)(i) – State Board, Membership Roster. The State of Indiana asks that the waiver for the membership of the Cabinet be granted for a two year period.

This waiver will grant Indiana the flexibility to continue to align our state and federal workforce systems.

#### **Background**

Indiana has for more than a decade made significant and crucial investments in our economic climate and positioned itself as one of the premier states in America in which to start and grow businesses. Governor Holcomb's Administration is strengthening the foundation built by Governor's Mike Pence and Mitch Daniels; low taxes, responsive government, responsible fiscal stewardship, a regulatory environment guided by common sense, and major commitments to our roadways, airways, waterways, and trails.

Indiana continues to team with educational systems at every level to build a pipeline for sustainable success. Initiatives like an entire review of college and career funding and workforce funding led the Cabinet to recommend new changes to shape Indiana's future and create pilots that will become examples for the entire state to model.

Our economy continues to evolve, however, and while our reliance on manufacturing remains an important competitive advantage, it simultaneously embodies our most pressing challenge with its potential for impact by automation. Manufacturing jobs increasingly demand higher competencies. Indiana has an emerging and regularly recognized technology field and agriculture and life sciences are creating new opportunities every day. In order to keep up with the demand of these critical sectors of Indiana's economy, individuals must be able to gain the skills needed to fill the positions.

According to the Lumina Foundation in their Stronger Nation through Higher Education report, Indiana and the U.S. as a whole, must rapidly increase attainment rates to meet established attainment goals. More than 700,000 Hoosiers have begun but not completed postsecondary programs and another 400,000 lack any high school diploma or equivalency at all. Education and training programs must be more flexible and partnered with employers to understand the current and future workforce needs of their individual regions and what skills match those needs.

Moving from a 46-member state workforce board to a 21-member, employer-driven Cabinet reporting directly to the Governor has ensured and will continue to ensure collaboration across state agencies, while gaining insightful knowledge at the local level and employer guidance central to the spirit of WIOA.

The Cabinet must have the ability to continue to drive strong collaboration among local governments, local workforce boards, various state agencies, and employers all across Indiana. The Cabinet must have the ability to be nimble and actionable to challenge local employers, schools, and postsecondary institutions to engage and be responsible to support their own communities.

The Cabinet was granted Carl D. Perkins authority during the 2019 legislative session and under

current Indiana Code 20-19-2-19 the Cabinet receives, distributes, and accounts for all funds received for career and technical education under the Carl D. Perkins Vocational and Applied Technology Act (20 U.S.C. 2301 et seq.). The Cabinet sets the vision for career and technical education and alignment with the graduation pathways in Indiana and this waiver will be essential in that work developing properly with the employer led Cabinet advising changes.

With the United States economy adding 266,000 new jobs in November 2019, bringing the total to 6.6 million new jobs since January of 2017 and with Indiana having one of the nation's lowest unemployment rates, we must utilize this model that not only seeks to strive for continuous improvement to our traditional workforce development programs but aligns those programs with resources and strategies that assist in cross-agency communication. Moving more people into meaningful training and high-wage jobs will require us to look well beyond the Department of Workforce Development for support in areas like transportation, childcare, affordable housing, and substance abuse. Collaboration with agency leadership is creating better connected services and innovative new ways to deliver services focused on the best experience for the people served not the system outcome.

## **2. Actions the State has undertaken to remove State or local barriers:**

There are no longer any state or local statutory or regulatory barriers to implementing the proposed waiver.

The Indiana General Assembly passed and Governor Holcomb signed Senate Enrolled Act 50. Indiana Code 4-3-27. The bill creates the Governor's Workforce Cabinet to comply with the federal requirements for a state workforce development board under WIOA.

## **3. State strategic goal(s) and Department of Labor priorities supported by the waiver:**

The goal of the waiver is to allow flexibility in the membership requirements of the state workforce development board under WIOA Sec. 101(b)(1) and (c).

WIOA highlights the importance of states working to address the skills gap and align resources. The Department of Labor has specifically said reducing barriers to allow state innovation and efficiency is always important to the Department's mission of a skilled workforce. The bloated cabinet and membership requirements create barriers to that efficiency.

### **Goal:** Setting a single vision for workforce policy.

The original waiver set out to create a single vision for workforce policy. During this waiver period, the Cabinet shifted under the Governor's Office and is chaired by the nationally recognized Commissioner for Indiana's Commission for Higher Education. The Cabinet's daily objectives are led by a seasoned staff with experience in education and workforce. The Governor's appointed members of the Cabinet represent key areas of Indiana's economy. Due to this strategic leadership, the goal of a single vision for workforce policy was met and is now bolstered through concrete guiding statements that the Cabinet can return to as different recommendations are made. The Mission, Vision, Goals Guiding Principles adopted by the Cabinet are as follows:

**Mission:** The mission of the Governor's Workforce Cabinet is to address current and future education and employment needs of both individuals and employers, strengthen Indiana's economy by integrating and aligning state and federal resources, and ensure a talent-driven education and workforce system.

**Vision:** The vision of the Governor's Workforce Cabinet is to create a talent system that provides all Hoosiers equitable opportunities for lifelong learning and increased personal economic mobility, as well as provides employers the talent to grow and diversify their workforce.

**Goals:** Every Hoosier will be aware of career opportunities that exist, have equal access to quality

credentials and skills necessary for those opportunities, and employers will have access to the talent necessary for them to continue to grow and locate in Indiana.

- Increase the attainment of quality credentials beyond a high school diploma so that at least 60% of Hoosiers have a quality credential by 2025.
- Increase engagement between employers and the talent development system so skills gaps are being identified and addressed in a more responsive way.
- Guiding Principles: The Governor's Workforce Cabinet is committed to:
- Ensuring quality pathways for all Hoosiers that provide opportunities for career advancement, personal prosperity, and well-being.
- Partnering with Indiana employers and education and training providers to close skill gaps and meet emerging talent needs.
- Strengthening Indiana's economy by aligning programs and funding to meet current and future workforce needs.

**Goal:** Align workforce and education programs for efficiency and effectiveness.

The structure of the Cabinet allows employers and workforce leaders to identify potential new resources for local boards, incentivize new outcomes and more meaningful metrics, and foster region-wide collaborations.

One of the changes that came out of the workforce funding review and a recommendation from the cabinet was a move of the Hoosiers Initiative for Re-Entry from the Department of Workforce Development to the Department of Corrections. More individuals are connecting with jobs that provide livable wages and making those connections pre-release allowing them to have a positive outlook upon release.

An integrated intake form that can be accessed by different agencies so that a person utilizing the system has a better experience will be part of the recommendations in the State Plan to begin conversations around how this could be implemented.

**Goal:** Establish a platform to share best practices at the state, local, and service provider levels.

One way the Cabinet was able to take action around this goal was with the creation of local career coaching grants.

The local career coaching grants and funding associated with the grants were awarded by the Governor's Workforce Cabinet to regional applicants. Implementation grants of up to three years that collect data and assist in connecting students in various communities through experiences and opportunities that help determine the career path that is best suited to their interests and aptitude. Expectations included partnership and engagement from K-12, postsecondary, local community, employers, and economic development or workforce board. A local match was required. Planning grants were made available to allow communities time to come together to strategically map out the resources that are already available locally that may be leveraged to bring people together and provide sustainability to the community's career coaching strategy. These grants were established as one (1) year grants. Learning from different local models and the engagement of specified partners and sharing that information with the Cabinet will allow the Cabinet to establish various best practices around the state, leading to employer and talent satisfaction with appropriate skills and knowledge about a chosen career path.

Governor Holcomb, the Markle Foundation, and Microsoft announced Skillful Indiana in October of 2018. This partnership with support by Walmart, Lumina Foundation, Purdue University and Purdue Extension brings practical tools to connect Hoosier to good jobs in a changing economy. The first Skillful Indiana Career Coaching Corps (Coaching Corps) graduated in 2019 bringing synergy to career coaching across Indiana. The Coaching Corps presented to leadership of the Cabinet recommending

actionable changes to recognized barriers to serving Hoosiers that they had experienced first-hand. The Coaching Corps has continued to serve as a resource through assisting on the Cabinet committees and engaging in the community of practice strengthening Indiana's career coaching ecosystem. The business resources to drive success and connection across the regions selected by Skillful give WorkOnes (AJC's) the tools to advance business practices in hiring based on skills not unnecessary requirements. This partnership with Skillful will continue to support the infrastructure necessary to close the skills gap in Indiana if the existing Cabinet can continue to collaborate from the employer driven perspective and with the right agency leadership.

The Cabinet approved a resolution to create a bi-state planning region in December of 2019. After years of collaboration and with the hope of continuing to share and merge local resources to allow for individuals served between Indiana and Kentucky, a bi-state planning region was supported by the Cabinet. The work of the Region 10 workforce board and Kentuckiana Works is an impressive model for cross collaboration of ideas and resources to truly provide a positive experience for someone needing assistance when they walk in to either state office.

**Goal:** The Cabinet will lead the Career and Technical Education (CTE) design under Carl D. Perkins Vocational and Applied Technology Act to advance opportunities for students taking CTE Courses. Re-designing and joining the CTE opportunities with graduation pathways will produce positive results for students obtaining skills and advanced knowledge to obtain certificates. Hoosiers will be able to secure employment or quickly connect to an applicable post-secondary program with a confidence that did not previously exist based on their experiences.

**Goal:** Implement and track WIOA State Workforce Plan (State Plan) initiatives. Indiana used a human centered approach to design the State Plan. This plan is unique in that its recommendations are written from the lens of identified target populations versus a traditional program focused lens. In order to have all the right input for the State Plan, the Cabinet created the constituent support committee, the strategic plan committee, the industry committee, and the policy committee. The committees having representation from employers, agencies, education leaders, community partners, local board, and legislative members to advise on sections of the State Plan and will continue to meet in order to ensure recommendations move towards implementation and track data to monitor success.

#### **4. Projected programmatic outcomes resulting from implementation of the waiver:**

The composition of the Cabinet provides an opportunity to hear from and provide solutions to employers in Indiana's key sectors. Future outcomes will continue to develop through implementation of the strategies outlined in the State Plan.

#### **5. Individuals, groups or populations benefiting from the waiver:**

Individuals will benefit the most from this waiver. Indiana, led by Governor Holcomb's drive to put people first, will connect more Hoosiers with meaningful training and quality jobs. Local Boards will benefit from greater connectivity to state government and the Governor's office, greater assistance in development of programmatic training and onboarding of new members, and the opportunity to access resources that may be available through state agencies on the Cabinet. Employers will benefit from better access to cross agency information when they connect with the state and access to talent that is skilled and ready to fill open positions.

#### **6. How the State plans to monitor waiver implementation, including collection of waiver outcome information:**

The outcome of the waiver will be a statewide achievement of better communication and direction for the WIOA established workforce system.

One of the functions of the Cabinet is to review, monitor, and recommend changes to the state's workforce system. As such, there will continually be an eye toward how Hoosiers are impacted by

the policy decisions of the Cabinet and the programs implemented at both a state and local level. Outcomes that result from aligning these systems will be included in the state's annual WIOA report.

**7. Assurance of State posting of the request for public comment and notification to affected local workforce development boards:**

The Governor's Workforce Cabinet Strategic Plan Committee, created in 2019, consisted of key agency, education, workforce, and organizational leadership. The committee discussed the waivers and had local board representation present. The draft state plan was posted on the Department of Workforce Development and Governor's Workforce Cabinet websites and notice was sent out broadly by core partners that the plan was open for public comment.

A local meeting occurred in 11 regions beginning August and concluding November to discuss objectives in the State Plan and hear feedback from local partners.

A copy of the waiver will be available for public inspection at the Indiana Department of Workforce Development offices and the Governor's Workforce Cabinet Office.

## **APPENDIX 1: Governor's Workforce Cabinet Membership**

The membership of the newly-established Governor's Workforce Cabinet consists of at least the following twenty (21) members:

- (1) A chairperson appointed by the Governor.
  - (2) The secretary of career connections and talent.
  - (3) The commissioner of the department of workforce development.
  - (4) The president of the Indiana economic development corporation.
  - (5) The commissioner of the Indiana commission for higher education.
  - (6) The commissioner of the Indiana department of corrections.
  - (7) The commissioner of family and social services of Indiana.
  - (8) The superintendent of public instruction.
  - (9) The president of Ivy Tech Community College.
  - (10) The president of Vincennes University.
  - (11) A member appointed by the governor who is an apprenticeship coordinator of a joint labor- management apprenticeship program approved by the United States Department of Labor, Employment and Training Administration, Office of Apprenticeship.
  - (12) A member representing high school career and technical education directors appointed by the governor in consultation with the Indiana Association of Career and Technical Education Districts.
  - (13) A member representing manufacturing appointed by the governor in consultation with the Indiana Manufacturers Association.
  - (14) A member representing a minority business enterprise appointed by the governor.
  - (15) A member representing a women's business enterprise appointed by the governor.
  - (16) A member representing a veteran owned business appointed by the governor.
  - (17) A member representing the nonunion and construction trades appointed by the governor in consultation with the Associated Builders and Contractors, Inc., and the Indiana Builders Association.
  - (18) A business owner appointed by the governor in consultation with the Indiana Chamber of Commerce.
  - (19) A small business owner appointed by the governor in consultation with the National Federation of Independent Businesses.
  - (20) A member of a community-based organization appointed by the governor.
  - (21) Three (3) at-large business owners appointed by the governor, one (1) of whom is a business owner who employs less than fifty (50) employees.
  - (22) A member of the house of representatives appointed by the speaker of the house of representatives who serves as a nonvoting member.
  - (23) A member of the senate appointed by the president pro tempore of the senate who serves as a nonvoting member.
  - (24) Any additional members designated and appointed by the governor.
- (b) The members appointed under subsection (a)(11) through (a)(19) must be geographically diverse.



## **WAIVER REQUEST 2 STATE OF INDIANA**

### **Waiver of Governor's reserve and local formula youth funds on OSY**

#### **1. The statutory and/or regulatory requirements the State would like to waive:**

The State of Indiana is requesting a waiver from Section 129(a)(4)(A) and 20 CFR 681.410, which require not less than 75 percent of funds allotted to states under Section 127(b)(l)(c), reserved under Section 128(a), and available for statewide activities under subsection (b), and not less than 75 percent of funds available to local areas under subsection (c), shall be used to provide youth workforce investment activities for OSY.

Indiana is requesting the following waivers to this statutory and regulatory provision:

- A waiver of the requirement to expend 75 percent of funding on the OSY population. Indiana is requesting that this percentage be lowered to 50 percent.
- A waiver of the requirement that local funding meet the 75 percent minimum expenditure requirement. Indiana requests that this percentage be lowered to 50 percent to align with the statewide target (see 1 above).
- A waiver of the requirement to expend 75 percent of Statewide Activities funding on the OSY population. It is requested to reduce this percentage to 50 percent to allow flexibility of funding special projects that meet the vision and mission of the state.

#### **Background**

Hoosier adults with a high school degree or less or those with some college but no credential or degree are at a competitive disadvantage to obtain middle-skill work with residents of every Midwestern state and over half of Southern states.<sup>1</sup> Additionally, 54% of Indiana employers do not believe students are adequately prepared for the workforce, with 51% leaving jobs unfilled due to underqualified applicants.<sup>2</sup> Employers cite critical thinking, personal qualities, communication skills, interpersonal skills, and understanding of technology as the most challenging qualities to find among job applicants and new hires.

Indiana has a student to school counselor ratio of approximately 600 students to one counselor. Counselors have a large responsibility of responding to the social-emotional needs of students that leaves a strained capacity for working with students regarding their plans for life after high school. To combat these issues and increase the state's graduation rate, the Indiana General Assembly continues to commit state funds to dropout prevention funding. The 2014 and 2016 biennium budget allowed the Indiana Department of Workforce Development to double its dropout prevention program. The 2018 budget allowed continued advancement in the dropout prevention program.

This waiver is consistent with Governor Holcomb's vision to cultivate a strong and diverse economy by sharing Indiana's story of opportunity and developing a 21<sup>st</sup> Century skilled and ready workforce. Specific to these goals, the Governor is working to align workforce and education programs to quality career pathways, providing more opportunities for students to connect to resources.

The above waiver request will result in increased partnership and collaboration between the Governor's Workforce Cabinet, Department of Workforce Development, the local Workforce Development Boards and economic development teams, local school districts, parents, families and communities, postsecondary institutions, public and private organizations, and local employers to support our Hoosier youth and build a readied talent pipeline.

#### **2. Actions the State has undertaken to remove State and local barriers:**

There are no state or local statutory or regulatory barriers to implementing the proposed waiver.

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<sup>1</sup> Indiana Institute for Working Families, 2018. [The Status of Working Families in Indiana 2018 Report](#).

<sup>2</sup> Indiana Youth Institute, 2019. [2019 Indiana Kids Count Data Book](#).

**3. State strategic goal(s), projected programmatic outcomes, and Department of Labor priorities supported by the waiver:**

**Goal:** Continued increase of services to at-risk youth. Approval of this waiver request will allow the state and local areas to focus funds and services on engaging at-risk, in-school youth to assist in connection to valuable experience that drive career and educational opportunity awareness.

**Goal:** Increased evaluation of support and funding for high-quality dropout prevention programming. Through focused funding and continual evaluation of the programming, the state can continue to adjust programs to meet the optimal needs of at-risk students, increasing successful transitions to employment or postsecondary education. One of the critical program elements for the Workforce Innovation and Opportunity Act (WIOA) youth program are follow-up services. Providing continued follow-up services and supports for at-risk youth who graduate high school as they transition to new opportunities in employment or education will increase performance metrics related to employment rate, credential attainment, and median earnings.

**Goal:** Improved flexibility of local and statewide activities funding to best meet the needs of our citizens and businesses. This waiver will improve the ability of the Workforce Development Boards to develop strategies to align with the workforce and economic needs of their local areas and to design these programs to meet the needs of their youth. The needs of one community may be different compared to the needs of another including when and what type of a program is offered. WIOA encourages strong partnerships to leverage resources and increase opportunities for at-risk youth. Indiana established the Governor's Workforce Cabinet to facilitate this connectivity among state agencies, local school districts and boards, and employers in an effort to leverage resources to prevent students from dropping out of high school and decrease their likelihood of needing government benefits in the future.

**4. Individuals, groups or populations benefitting from the waiver:**

Indiana's at-risk young adult population, parents of the youth, school counselors, American Job Centers (AJC), agencies serving at-risk youth, subcontracted service provider staff, and employers will be positively impacted by this waiver, so that programs are structured in the most beneficial way for all involved.

**5. How the State plans to monitor waiver implementation, including collection of waiver outcome information:**

Annual WIOA onsite programmatic reviews will include an evaluation of how youth funding is being utilized.

Local onsite reviews will take place to discuss in-school and out-of-school youth programs and expenditure plans with each service area.

**6. Assurance of State posting of the request for public comment and notification to affected local workforce development boards.**

The Governor's Workforce Cabinet's Strategic Plan Committee, created in 2019, consisted of key agency, education, workforce, and organizational leadership. The committee discussed the waivers and had local board representation present. The draft state plan was posted on the Department of Workforce Development and Governor's Workforce Cabinet websites and notice was sent out broadly by core partners that the plan was open for public comment.

A local meeting occurred in 11 regions beginning in August and concluding in November to discuss

objectives in the State Plan and hear feedback from local partners.

A copy of the waiver will be available for public inspection at the Indiana Department of Workforce Development offices and the Governor's Workforce Cabinet office.

## **WAIVER REQUEST 3 STATE OF INDIANA**

The State of Indiana requests this waiver to expand the use of funding under the Trade Adjustment Assistance for Workers Program to be used for reemployment for workers affected by foreign trade and those workers needing training to prepare for automation. Additionally, waive the Department of Labor's recapturing of unexpended TAA funds from Indiana and allow those unexpended funds to be utilized for retraining Hoosier workers to transition to new careers due to automation. Individuals impacted by foreign trade will be prioritized first under TAA to ensure receipt of services.

### **1. Statutory and/or regulatory requirements the State would like to waive:**

The Trade Act of 1974, as amended (the Act) (codified at 19 U.S.C. §§ 2271 et seq.), Title II, Chapter 2, established the Trade Adjustment Assistance for Workers (TAA), Alternative Trade Adjustment Assistance (ATAA), and Reemployment Trade Adjustment Assistance (RTAA) programs. These programs, collectively referred to as the Trade Adjustment Assistance Program (TAA Program), provide assistance to workers who have been adversely affected by foreign trade. The Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA 2015 or 2015 Program).

### **Background**

TAA provides enhanced reemployment benefits designed to help workers adversely affected by foreign trade obtain suitable employment. Benefits include occupational training, job search, relocation allowances, Reemployment Trade Adjustment Assistance (RTAA), reemployment case management services, and extended unemployment insurance benefits called Trade Readjustment Allowance (TRA).

Training subsidies are state's primary expenditures out of their reemployment services funding. In FY2018, Congress appropriated \$790 million for the TAA for Workers programs. Of this amount, \$450 million was for training and reemployment services and the remaining \$340 million was for income support and wage insurance. The \$790 million total had a DOL 6.6% appropriation (\$52.14 million).

Automation and the rapidly changing economy requires a necessary reduction in specificity of the TAA funding requirements and the State of Indiana respectfully asks for funding to be authorized for automation instead of restricted to one specific use. The effects of automation and trade displacement will continue to be felt most intensely in smaller communities throughout Indiana. Indiana's status as the state most at-risk to feel the effects of automation gives added importance to our request for funding flexibility.<sup>3</sup> Through this waiver, we would be able to better assist Hoosiers who have been displaced due to automation through use of TAA funding. Studies have found that most displaced workers rely more on Social Security and disability benefits, rather than the retraining resources provided by TAA.<sup>4</sup> Expanding TAA to include the effects of automation will provide rural workers and communities with the resources to help them get back on their feet.

The January 2019 report from the Brookings Institution's Metropolitan Public Policy Program, Automation and Artificial Intelligence: How Machines are Affecting People and Places, determined Indiana to be at risk for key sectors to be increasingly automated. The report focuses on areas of potential occupational change, noting that automation will have an outsized impact on our low-wage, low-skill Hoosiers.<sup>5</sup> These individual may often face other barriers to career advancement and family-sustaining wages, such as cyclical poverty, former incarceration, dependence on government benefits, and lack of consistent support services (e.g., transportation, dependent care, and health services).

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<sup>3</sup> Parilla and Muro, 2016. Where global trade has the biggest impact on workers.

<sup>4</sup> Autor, et al., 2014. Trade Adjustment: Worker-Level Evidence.

<sup>5</sup> Brookings Institution, January 2019. Automation and Artificial Intelligence: How Machines are Affecting People and Places.

Labor market disruption in Indiana will not be incidental as our economy adjusts to the impact of automation, advanced robotics, and artificial intelligence. A potentially accelerated move towards automation calls for an amplified focus on shaping Indiana's workforce to be skilled and ready for any potential changes. To prevent increasing reliance on government benefits, like SNAP and TANF, we need to concentrate on upskilling and reskilling our current workers to help make them 'future-proof,' including a greater focus on digital literacy. Indiana has a booming economy with a potential for economic diversity that can only grow with continual efforts to address current needs and prepare for the future. Automation and new technologies disruption create a negative perception of dislocation to which it is difficult for workers to respond. To increase the supports and opportunities for our dislocated Hoosiers to upskill and reskill as a result of the rising trends in automation, leveraging all sources of funding is critical to maximize our efforts to ensure every individual in Indiana has access to career advancement, economic mobility, and personal fulfillment.

Indiana recognizes there are specific funds that can be utilized to train for this potential risk, such as WIOA Dislocated Worker and Rapid Response, however, the funding independently does not make the greatest impact in improving Hoosiers' lives. If this waiver is approved, the two funding streams can be braided together to accelerate the ability for employers to prepare the workforce and business for the rapidly changing economy.

## **2. Actions the State has undertaken to remove State or local barriers:**

There are no state or local statutory or regulatory barriers to implementing the proposed waiver.

## **3. State strategic goal(s) and Department of Labor priorities supported by the waiver:**

**Goal:** To continue strengthening the Indiana workforce and surpass economic goals.

**Goal:** To become a State that is proactive in addressing workforce needs and assisting in potential changes instead of relying on a reactive approach.

The Department of Labor recognizes that our nation's greatest economic resource is the American workforce. Allowing this use of funding for reemployment benefits due to automation is a way for Indiana to connect resources efficiently and effectively so that we can continue to grow a skilled workforce with the ability to attain greater levels of economic mobility.

## **4. Projected programmatic outcomes resulting from implementation of the waiver:**

More workers will be positively able to reskill and retrain for potential job modifications and career changes with the impact of automation.

## **5. Individuals, groups or populations benefiting from the waiver:**

Employers, employees, local workforce boards, workforce agencies partners, and nonprofit organizations will benefit from this waiver.

## **6. How the State plans to monitor waiver implementation, including collection of waiver outcome information:**

States are already responsible for collecting participation and outcome data and reporting the data to USDOL. These data will assist in determining if the granted waiver has successfully assisted more Hoosiers in training while addressing the needs originally anticipated through TAA.

Indiana will continue to report data on assistance for those impacted by foreign trade, as required for

those programs so it will not impact the TAA Data Integrity (TAA DI) report card. Indiana will also respond as required to any discrepancies.

**7. Assurance of State posting of the request for public comment and notification to affected local workforce development boards:**

The Governor's Workforce Cabinet's Strategic Plan Committee, created in 2019, consisted of key agency, education, workforce, and organizational leadership. The committee discussed the waivers and had local board representation present. The draft state plan was posted on the Department of Workforce Development and Governor's Workforce Cabinet websites and notice was sent out broadly by core partners that the plan was open for public comment.

A local meeting occurred in 11 regions beginning in August and concluding in November to discuss objectives in the State Plan and hear feedback from local partners.

A copy of the waiver will be available for public inspection at the Indiana Department of Workforce Development offices and the Governor's Workforce Cabinet office.

## **WAIVER REQUEST 4 STATE OF INDIANA**

### **Waive 90-day Retention Services Requirement and Increase Retention Services to 365-days under SNAP.**

#### **1. Statutory and/or regulatory requirements the State would like to waive:**

Indiana's Family and Social Services Administration SNAP E & T program requests a waiver to extend the job retention services to households leaving SNAP to 365-days at 7 CFR 273.7(e)(1)(vii).

#### **Background**

Under SNAP regulations at 7 CFR 273.7(e)(1)(viii), job retention services are designed to help achieve satisfactory performance, retain employment, and increase earnings over time. The Family and Social Services Administration of Indiana may offer job retention services, such as case management, job coaching, dependent care assistance, and transportation assistance, for up to 90 days to an individual who has secured employment. There is no limit to the number of times an individual may receive job retention services, as long as the individual has re-engaged with Employment and Training prior to obtaining new employment.

#### **2. Actions the State has undertaken to remove State or local barriers:**

There are no state or local statutory or regulatory barriers to implementing the proposed waiver.

#### **3. State strategic goal(s) and Department of Labor priorities supported by the waiver:**

**Goal:** Increase the number of individuals building sustainable employment.

**Expected Outcome:** The more Hoosiers that can connect with a type of employment that leads to a livable wage and provides for assistance for themselves and their loved ones will create a greater opportunity for Indiana's economy and culture to grow. Job retention for each individual builds confidence and leads to better overall wellbeing.

**Goal:** Assist individuals in recognizing skills by increasing attendance, onboarding, and incorporating employer values into work performance.

**Expected Outcome:** Individuals that are further connected to their employer and recognize the skills they are building and the value of their work will be able to confidently contribute to their current employer and experience career success. Hoosiers with barriers will have ability to transition to a stable position and obtain stronger self-confidence through transitional help.

**Goal:** Assist individuals in establishing long-term, sustainable employment, increasing income and economic mobility, and creating opportunities to utilize their skills in their communities. This will extend the opportunity for Hoosiers to receive transitional support, increasing the likelihood of job retention and decreasing potential future need for SNAP. In addition, it will bring education and training services in alignment with WIOA.

**Expected Outcome:** Communities and families will benefit from individuals who find a solid stable connection to their career.

The Governor's Workforce Cabinet, in partnership with the Family and Social Services Administration, is keenly aware of the necessity for supportive job retention services for individuals leaving SNAP. This waiver aligns with the Department of Labor's priority to see individuals enter the workforce and maintain strong support to succeed. Employers and employees will benefit from the additional support.

#### **4. Implementation date and time period**

Indiana SNAP E&T is requesting a five year waiver. The implementation process would begin immediately in 2021.

#### **5. Individuals, groups or populations benefiting from the waiver:**

Individuals that participate and receive SNAP benefits, specifically SNAP Employment and Training, as they exit SNAP and enter employment, the Family and Social Services Administration of Indiana, providers, employers, and local workforce boards will be impacted in a positive way with greater ability to connect and support recipients of services.

#### **6. How the State plans to monitor waiver implementation, including collection of waiver outcome information:**

No special quality control measures are requested for this waiver. Progress and Implementation will be monitored by the team at Indiana's Family and Social Services Administration. Trends for those recipients utilizing services will be included in an annual report and will include analysis of the waiver and impact on reducing the churn of Hoosiers on SNAP.

Caseload Information, Including Percent, Characteristics, and Quality Control Error Rate for Affected Portion:

SNAP recipients who received SNAP E&T services: 6,177

SNAP E&T clients who received Retention Services: 1,390<sup>6</sup>

#### **7. Assurance of State posting of the request for public comment and notification to affected local workforce development boards:**

The Governor's Workforce Cabinet's Strategic Plan Committee, created in 2019, consisted of key agency, education, workforce, and organizational leadership. The committee discussed the waivers and had local board representation present. The draft state plan was posted on the Department of Workforce Development and Governor's Workforce Cabinet websites and notice was sent out broadly by core partners that the plan was open for public comment.

A local meeting occurred in 11 regions beginning in August and concluding in November to discuss objectives in the State Plan and hear feedback from local partners.

A copy of the waiver will be available for public inspection at the Indiana Department of Workforce Development offices and the Governor's Workforce Cabinet office.

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<sup>6</sup> This figure is contingent upon data from Indiana's IMPACT vendor, Maximus, and is based on the number of clients it has provided and billed for at least one retention pay point per SNAP client during FY 2019.