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Budget Director, State Budget Agency
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From: Mr. Fred Payne
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Subject: Agency Overview, Fiscal Years 2020-21

The Indiana Department of Workforce Development (DWD) is charged with administering and coordinating a variety of transformational workforce development programs that help unemployed and under-employed Hoosiers enter into fulfilling careers. Indiana's workforce training initiatives are primarily funded by the federal government and overseen by the U.S. Department of Labor and the U.S. Department of Education. In addition to DWD's workforce programs, the department administers the state's federally-required unemployment insurance (UI) program. Funding for the UI program is provided primarily by insurance premiums collected from Indiana employers. The department also houses the newly created Office of Work-Based Learning and Apprenticeship (OWBLA). OWBLA is currently funded by a federal grant, and a combination of state and federal resources. Long-term, DWD is exploring the feasibility of diversifying funding streams with the creation of public-private partnerships to assist in supporting the Office.

DWD builds and improves the skills of Indiana's existing workforce through a network of 28 WorkOne (full service) and 62 WorkOne Express offices located in 12 regional workforce service areas throughout the state. DWD supports these offices with its own staff, technology, and infrastructure. We also provide grant dollars to Workforce Development Boards and their Regional Operators who provide counseling, case management, and training services to clients entering the WorkOne offices.

DWD understands our obligation to the citizens of Indiana and takes a rigorous approach to ensuring the services we provide are relevant for the state's workforce needs while, at the same time, providing maximum value to the clients and employers we serve. We understand the need to provide a workforce that matches employer demand and promotes economic growth. Even though Federal funding is down in our major program areas by over \$18M since 2016, DWD is constantly evaluating programs and services to ensure we are taking positive steps toward accomplishing these objectives.

Description of Major Programs

DWD administers several federal and state programs that assist Indiana's current and future workforce:

1. Workforce Innovation & Opportunity Act (federal) - Funds are primarily used to provide case management services and training programs to clients entering our WorkOne offices throughout the state. They are divided into three categories to serve different workforce populations: adult, youth, and dislocated workers. Income qualifications must be met in order to access these services. More than 80 percent of the WIOA federal dollars are passed-through to the twelve Regional Workforce Development Boards.

2. Unemployment Insurance (federal) – An income maintenance program designed to help individuals bridge the gap between unemployment and returning to work. To qualify for benefits, a person must be unemployed through no fault of their own and able, available, and actively seeking full time employment. Maximum benefit time is 26 weeks.
3. Office of Work-Based Learning and Apprenticeship (state and federal) - Coordinate efforts to expand US DOL registered apprenticeship programs, develop and implement a framework of work-based learning pathways for both youth and adult populations based on key economic sectors, and build public-private partnerships statewide, based on local needs, to increase business and industry engagement with education providers.
4. Career & Technical Education Innovation and Advancement Fund/Next Level Jobs (state) – Funding for the advancement of statewide K-12 career and technical education programs as well as for workforce initiatives focused on high-wage, high-demand jobs (i.e. Next Level Jobs (NLJ) Employer Training Grant, Skill UP Indiana, etc.)
5. Adult and Basic Education (state and federal) - Funds from this program ensure the delivery of foundational skills development, academic and career counseling services, and career pathways to adults and out-of-school youth for the purpose of employment, reemployment, or enhanced employment. This includes helping Hoosiers who lack a high school diploma achieve educational grade level gains and ultimately obtain a diploma or high school equivalent (HSE) credential.
6. Wagner-Peyser Act (federal) – Funds are used to counsel job seekers, help write resumes, match skills to employer needs, and help determine employer job demand. There are currently no income qualifications required to access these services.
7. Dropout Prevention/Job for American Graduates (JAG) (state) – A non-profit youth development program, JAG is dedicated to helping low-income, at-risk youth graduate from high school and make successful transitions to post-secondary education, training, military, and/or full-time employment.
8. Hoosier Initiative for Re-Entry (HIRE) (state) - A joint effort between the Department of Workforce Development, the Department of Correction, and local businesses and communities to employ individuals who have been incarcerated.
9. Work Indiana (state) – Provides access to short-term training opportunities that lead to industry-recognized credentials in high-wage, high-demand occupations. Candidates for this program must be enrolled in our Adult Education program.
10. Re-Employment Services and Eligibility Assessment Act (RESEA) (federal) - This program provides funds for states to better link the unemployed with the overall workforce system by bringing individuals receiving unemployment benefits into WorkOne offices for personalized assessments and referrals to re-employment services.
11. Carl D. Perkins Act (federal) – Funds the state’s vocational and technical education programs through grants to local education providers and post-secondary institutions.
12. Trade Adjustment Assistance Act (TAA) (federal) – Helps workers whose employment has been adversely affected by increased imports or shifts to foreign production. Services include job search, training, relocation assistance, and income support while in training.
13. Jobs for Veterans State Grants (JVSG) (federal) – Funding for Local Veterans Employment Representatives (LVERs) and Disabled Veteran Outreach Program Specialists (DVOPS) who provide labor exchange services to veterans and ensure veterans receive preference in job referrals.
14. Serve Indiana (state and federal) – Administers the state’s AmeriCorps and HoosierCorps programs and is the mechanism to promote and coordinate volunteer activities throughout the state. Also partners with the Indiana Housing and Community Development Authority to facilitate requirements of the Hardest Hit Fund (mortgage assistance) and the Indiana Kids program (after school mentoring).
15. Senior Community Service Employment Program (SCSEP) (federal) – Funds for training in meaningful, part-time community service activities for low-income persons who are 55 years of age or older.

16. Bureau of Labor Statistics (federal) – Pays for research and analysis associated with compiling employment-related statistics including Quarterly Census Employment Wages, Local Area Unemployment Statistics, Occupational Employment Statistics, and Current Employment Statistics. The budget primarily funds staff salaries, software, and indirect costs for staff.
17. Work Opportunities Tax Credit (WOTC) (federal) – A federal tax credit for private, for-profit employers to encourage hiring jobseekers who traditionally have difficulty finding employment: individuals who have utilized welfare programs, ex-felons, individuals with disabilities, and certain groups of Hoosier youth. Funding pays for staff salaries and other operating costs.

ACCOMPLISHMENTS OVER THE LAST BIENNIUM (FY18, FY19)

1. Next Level Jobs Employer Training Grant: We have accepted applications for more than \$11.3M from almost 400 businesses who plan to train 5,220 employees.
2. Next Level Jobs Workforce Ready Grant:
 - a. Expanded noncredit bearing course offerings beyond Ivy Tech Community College and Vincennes University.
 - b. Expanded the eligibility to include welding and CNC courses administered by Department of Correction.
3. Skill Up Indiana: Administered nearly \$10M in new funding to innovation networks throughout the state, facilitating mission critical programs that will address the skills gap and worker shortage challenges in their communities.
4. HIRE: The program has now helped more than 11,000 ex-offenders gain employment since its inception.
5. Jobs for America's Graduates:
 - a. For Program Years 2012 - 2016:
 - Total Participants: 18,083 JAG participants
 - Total Participants Graduating High School: 8,539 graduates
 - % of economically disadvantaged Students: 95.39%¹
 - b. National Accolades
 - In 2015-2016 JAG Indiana was awarded 4 Ken Smith National Scholarships, the highest amongst the 32 JAG states.
 - JAG Indiana received the Statewide 5 of 5 Award from National JAG four years in a row.
 - Expansion with Ivy Tech Community College and Strada Education Network for students to continue to receive JAG services in college.
 - In 2017, Governor Eric Holcomb was elected JAG National Board Chair and announced expansion to an additional 250 programs over next seven years
 - 2017 and 2018, JAG Indiana began two College Success Program models through a partnership with Ivy Tech Community College and Strada Education Network
6. Adult Education:
 - a. Ranked third nationally in number of students attaining a high school credential at more than 3,000 each year.
 - b. Ranked fourth nationally for the number of measurable skills gained by AE students at more than 35,000 each year.
 - c. Served 225,789 participants between 2010 and May 2018.
7. WorkINDiana: Enrolled over 7,000 participants since inception, with over 5,800 students completing training, and over 4,700 students earning an industry recognized certification.

¹ As defined by receiving public assistance, TANF, or free-or-reduced lunch.

8. Serve Indiana: Became the first state commission on volunteerism and service in the United States to begin aligning the national service of over 600 AmeriCorps members to support workforce priorities.
9. Unemployment Insurance: Launch of claimant self-service, which automated the unemployment insurance process.
10. Office of WBL and Apprenticeship: Successfully recognized the state's first earn and learn program at Stewart Healthcare.
11. Indiana Career Explorer: Launched 35 new programs through the statutorily-required pilot. Financially supported teachers and counselors that participated in the program.
12. Work Ethic Certificate:
 - a. Over 105 schools across the state participate in the WEC program, with a potential of reaching 17,000 high school seniors.
 - b. DWD issued 1,695 certificates to the Class of 2018.
 - c. Over 500 Indiana employers support the WEC program.
13. IT Projects
 - a. Successfully launched Indiana Career Ready – www.indianacareerready.com (one-stop shop of workforce development initiatives, i.e. IN Career Explorer, Indiana Career Connect, Hoosiers by the Numbers, etc.).
 - b. Updated Hoosiers by the Numbers to reflect changes with Indiana's long-term employment projections.
14. Other:
 - a. Financially supported the creation and upstart of the new Office for Career Connections and Talent and the Governor's Workforce Cabinet.
 - b. Financially supported DOC's new welding program in Madison and Plainfield.
 - c. Financially supported the TechPoint Robotics program, expanding the program into Indiana's elementary schools (grades 4 and 5), and expanding to middle schools (grades 6-9) in fiscal year 2019.

CHALLENGES OVER THE LAST BIENNIUM (FY18, FY 19)

1. Shrinking federal budgets for workforce and unemployment insurance administration.
 - a. Since 2016, the WIOA allocation for administration, set-aside, and distributions to regional WDBs have been cut by almost 17%, or \$8.27M. .
 - b. Since FY2016, the Wagner-Peyser grant has been reduced by over \$1M or 7.6%.
 - c. Since FY2016, the allocation for UI administration has been cut by over 21%, or \$8.81M.
2. Alignment of training/education to actual workforce needs is an ongoing challenge. DWD and the Governor's Workforce Cabinet have worked to review all workforce-related programs (including higher education programs and funding streams), how CTE funding is allocated in the secondary and postsecondary levels, and how the state can best prepare career counseling students for success.
3. Educating Hoosiers of career possibilities and the varying levels of education required to be prepared for these high demand, high wage opportunities continues to be a challenge in skilling individuals up and setting them on career pathways that may not initially require a four year college degree.
4. Messaging the fact that WorkOne offices are not UNEMPLOYMENT offices but rather EMPLOYMENT offices with a myriad of services to help people find fulfilling occupations.
5. Offering integrated education and training concurrently and contextually in adult education classrooms. DWD continues to make great strides with this challenge.

6. In Adult Education, providing quality professional development to all instructors statewide; barriers include varying professional development needs of individual programs, funding, part time staff, and rural program locations.

OBJECTIVES FOR THE NEXT BIENNIUM (FY20, FY21)

1. Expand the Jobs for American Graduates (JAG) program by creating 250 new programs by 2023.
2. Double the number of work-based learning participants from 12,500 to 25,000.
3. Expand the number of adults without a high school diploma enrolling into AE, persisting, and finding employment for 30,000 individuals.
4. Support DOC in reaching the Governor's stated goal of having 1,000 offenders certified in high demand, high wage industries and ready for employment prior to release.
5. Continued development of our Indiana Career Ready application as part of our Next Level Jobs program in order to quickly provide job seekers, counselors, parents, and students with current data on employment and training.
6. Increase focus on Career & Technical Education programs in high schools in order to help fill the jobs of tomorrow today.
7. Continue to develop relationships with all Indiana employers to make sure we are aware of their current and future workforce needs.
8. Transfer HIRE to DOC.
9. Continue to improve Unemployment Insurance performance and reduce fraud via the increased use of technology, utilizing critical Penalty and Interest funds.
10. Align integrated education and training offered in adult education programming with employer needs.
11. Continue to strengthen outcomes of Regional Workforce Development Boards by building upon our current relationships.

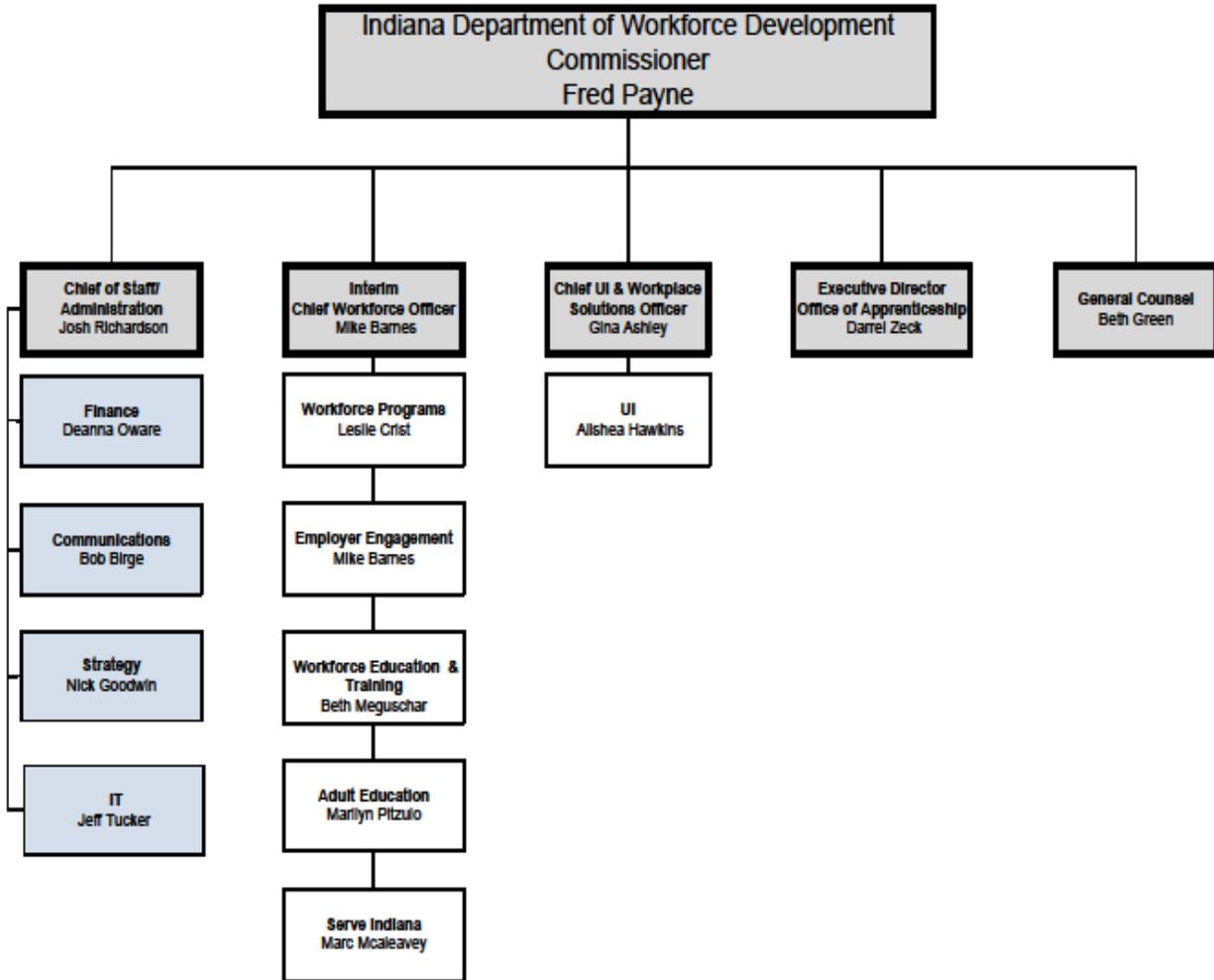
KEY PERFORMANCE INDICATORS

1. Workforce Innovation and Opportunity Act (WIOA)

Under section 116(b)(2)(A) of WIOA, as well as in the statute's implementing regulations in 20 CFR 677.155, there are six primary indicators of performance:

- a. **Employment Rate - 2nd Quarter After Exit:** The percentage of program participants who are in unsubsidized employment during the second quarter after exit from the program (for title I Youth, the indicator is the percentage of program participants who are in education or training activities, or in unsubsidized employment, during the second quarter after exiting from the program);
- b. **Employment Rate - 4th Quarter After Exit:** The percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from the program (for title I Youth, the indicator is the percentage of program participants who are in education or training activities, or in unsubsidized employment, during the fourth quarter after exiting from the program);
- c. **Median Earnings - 2nd Quarter After Exit:** The median earnings of program participants who are in unsubsidized employment during the second quarter after exiting from the program;

- d. **Credential Attainment:** The percentage of those participants enrolled in an education or training program (excluding those in on-the-job training (OJT) and customized training) who attain a recognized postsecondary credential or a secondary school diploma, or its recognized equivalent, during participation in or within one year after exit from the program. A participant who has attained a secondary school diploma or its recognized equivalent is included in the percentage of participants who have attained a secondary school diploma or its recognized equivalent only if the participant is also employed or enrolled in an education or training program leading to a recognized postsecondary credential within one year after their exit from the program.
 - e. **Measurable Skill Gains:** The percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains, defined as documented academic, technical, occupational, or other forms of progress, toward such a credential or employment; and
 - f. **Effectiveness in Serving Employers:** Effectiveness of the core programs in serving employers.
2. Governor's State of the State Workforce Goals
- a. Help at least 30,000 Hoosiers without a High School Diploma gain skills needed and move them into employment.
 - b. Help at least 25,000 Hoosier adults with some college experience, but no degree, go back and enroll in post-secondary programs.
 - c. Secure 250 agreements with businesses for the Next Level Jobs Employer Training Grant.
 - d. Double the number of work-based learning participants from 12,500 to 25,000 by 2019.
 - e. By 2020 help at least 1,000 Hoosier adult offenders earn certificates and credentials so they can secure high-demand, high-wage jobs upon release.
3. Workforce Development Board Metrics
- a. **Engagement Rate** - Percent of unemployed and underemployed Hoosiers in a region that are served by the WorkOne centers.
 - b. **Job Connectedness Rate** - Percent of unemployed and underemployed Hoosiers who were served by the WorkOne centers and connected with employment.
 - c. **Wage Gains** - Median wage gains for unemployed clients that received staff-assisted services and obtained employment.



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