



**DWD Agency Overview: Fiscal Years 2024 and 2025**

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 obtain fulfilling careers. Indiana’s workforce training initiatives are primarily funded by the federal government and are overseen by the U.S. Department of Labor and the U.S. Department of Education. DWD has also received state funding to implement two prominent initiatives that seek to train Hoosier workers through the Governor’s Next Levels Jobs program. In addition to DWD’s workforce programs, the department administers the state’s federally-required unemployment insurance (UI) program, which provides income assistance to unemployed Hoosiers. UI benefit payments are funded primarily by insurance premiums collected from Indiana employers.

DWD builds and improves the skills of Indiana’s existing workforce through a network of WorkOne comprehensive sites and WorkOne affiliate offices located in 12 regional workforce service areas throughout the state. DWD supports these offices with staff, technology, and infrastructure. DWD also provides grant dollars to Workforce Development Boards and their Regional Operators who provide counseling, case management, and training services to clients entering the WorkOne offices.

For the 2024-2025 biennium, DWD is requesting a General Fund budget of \$47,588,658 for fiscal year 2024, and \$51,339,663 for fiscal year 2025. Our department’s request is summarized below.

| <b>Program</b>                          | <b>FY 2024 Appropriation</b> | <b>FY 2025 Appropriation</b> |
|---|------------------------------|------------------------------|
| Adult Education Distribution            | \$15,985,041                 | \$18,985,041                 |
| Dropout Prevention/JAG                  | \$8,000,000                  | \$8,000,000                  |
| Next Level Jobs Employer Training Grant | \$14,064,066                 | \$14,064,066                 |
| Workforce Ready Grant                   | \$6,000,000                  | \$6,000,000                  |
| Administration                          | \$2,141,748                  | \$2,892,753                  |
| Work-Based Learning and Apprenticeship  | \$255,000                    | \$255,000                    |
| Serve Indiana                           | \$239,560                    | \$239,560                    |
| Proprietary Education                   | \$53,243                     | \$53,243                     |
| Indiana Construction Roundtable         | \$850,000                    | \$850,000                    |
|   |                              |                              |

## **MAJOR PROGRAMS**

DWD administers multiple 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 a WorkOne office throughout the state. They are divided into three areas to serve different workforce populations: adult, youth, and dislocated workers. Income qualifications must be met to access these services.
2. Unemployment Insurance (federal) – is 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.
3. 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, high school equivalent (HSE) diploma, or in-demand occupational credentials.
4. Next Level Jobs – Employer Training Grant (state) – reimburses employers who train, hire, and retain new or incumbent workers to fill in-demand positions within recognized job fields.
5. Next Level Jobs – Workforce Ready Grant (state) - provides tuition support to Hoosiers for qualifying high-value certificates from eligible training providers. DWD administers the non-credit bearing certificates, and the Commission for Higher Education oversees the credit-bearing program.
6. Wagner-Peyser Act (federal) – funds are used to provide employment-related labor exchange services, including job search assistance, counsel job seekers, help write resumes, job referrals and placement, 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. Serve Indiana (state and federal) – administers the state's AmeriCorps programs and is the mechanism to promote and strengthen volunteer activities throughout the state. Partners with employers to support the development and strengthening of employer-based volunteer programming and the Indiana Kids program (after school mentoring).
9. Work-Based Learning and Apprenticeship (state and federal) – supports the creation and expansion of Registered Apprenticeship Programs and State Earn and Learn programs.

## **ACCOMPLISHMENTS**

The pandemic has had a profound impact on DWD, which required agency leaders and staff to scale up to meet the challenge of serving hundreds of thousands of individuals in a very short amount of time. The ability of our team to adapt quickly to the situation resulted in providing

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short term income assistance and virtual employment/career service guidance to hundreds of thousands of Hoosiers. Other notable accomplishments are listed below:

1. Unemployment Insurance:
  - Provided unemployment insurance to individuals impacted by the COVID 19 Pandemic. The agency has returned to pre-pandemic volumes and timeliness of payments.
  - The state has a healthy trust fund balance of \$1.2 billion for the payment of unemployment insurance claims.
2. NLJ Employer Training Grant:
  - Provided support to employers to train new and incumbent workers to fill in-demand jobs in key industry sectors.
  - More than 75% of employer participants are small to medium-sized businesses.
3. NLJ Workforce Ready Grant:
  - Provided workforce training to Hoosiers to prepare them with the skills to land better-paying jobs.
  - WRG participants have 92% completion rate and 77% credential attainment rate in the current year program.
4. Adult Education:
  - National leader in learner achievement gains by participants.
  - Increased the percentage of Adult Education participants obtaining workforce skills in conjunction with Adult Basic Education.
5. Jobs for America's Graduates (JAG)/Dropout Prevention
  - Continued growth of JAG programs and participants.
  - Average Graduation Rate of JAG Seniors: 95%
6. Work-Based Learning and Apprenticeship
  - Connected Hoosier employers to talent by promoting, supporting, and certifying Registered Apprenticeship, State Earn and Learn (SEAL), and Pre-Apprenticeship programs.
  - Indiana currently ranks first in the country for the number of active apprentices per capita.

## **CHALLENGES**

1. In Unemployment Insurance, the agency hired and trained staff to handle the unprecedented volume of unemployment claims during the COVID-19 Pandemic. Federal funding for administration of UI does adjust with claims volume, but there is a delay between the increase of claims and the availability of funding. The agency's federal funding has declined as claims have reduced. UI has also seen an increased amount of fraudulent activity associated with the new Federal programs, which has been
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accompanied by additional monitoring and auditing activity internally, and by oversight entities.

## **CHANGE PACKAGES**

1. DWD Administration

Internal Audit Division (New) - \$701,800 in FY25

This new initiative will fund an Internal Audit Unit for DWD. The request includes salary and other operating expenses for an audit team unit. Auditors will prepare an internal audit plan and conduct periodic audits of DWD's major systems and controls.

SPD, IOT, Healthcare increases (Current) - \$1,003,033 FY 2024; \$1,052,238 FY2025

This change package reflects increased costs to support SPD, IOT, and Healthcare costs for the agency.

2. Adult Basic Education Distribution (Current) - \$3,000,000 increase in FY24 and \$6,000,000 increase in FY25

Currently, there are 432,000 Hoosiers without a high school diploma and approximately 250,000 are not in the workforce. Indiana employers need these individuals in the labor force. Individuals who have a secondary credential earn more and are more likely to participate in the labor force compared to those who do not have a secondary credential. The Adult Basic Education request will restore a portion of the appropriation that was cut during FY22 and FY23, as well as expand efforts to increase the workforce participation rate of the adult education population who lack a secondary diploma.

3. NLJ: WRG Expansion (Current) - \$3,000,000 increase/FY

This request will assist in increasing the post-secondary credential attainment rates of Hoosiers. The WRG is Indiana's most successful, and one of the primary ways, the State is able to provide short-term, certificate based training to one of the most difficult groups to engage in pursuing additional education – those adults with some college but no degree; Hoosiers with no college, including students out of high school and adults 25 and up; working adults with children and families; many who work multiple jobs; and those seeking to make a career change. The additional funding would support between 500 and 600 Hoosiers earn a credential.

4. Dropout Prevention/JAG Expansion (Current) - \$1,200,000 increase/FY

On average, a JAG Indiana program costs approximately \$95,000; this figure includes salary and benefits for the full-time classroom JAG Specialist, administrative support at the regional management level, student supportive services (including work experience assistance, goal completion incentives and various barrier-assistance funding), program related travel, professional development, and database maintenance fees. At present, JAG Indiana's budget (including all funding streams) operates 125 programs.

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5. WBLA Transfer (Current) - \$255,000/FY

This request transfers the Work-Based Learning & Apprenticeship appropriation from the Governor's Workforce Cabinet back to DWD. Staff and support services for WBLA are located under DWD's business unit, and the associated funding should be as well.