



December 7, 2020

Mr. Zachary Jackson, Director
State Budget Agency
Room 212, State House
Indianapolis, IN 46402

RE: Indiana Department of Workforce Development 2022-23 Agency Overview

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 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 (Employer Training Grant and Workforce Ready Grant) 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 also houses the Office of Work-Based Learning and Apprenticeship (OWBLA). OWBLA is tasked with expanding the number of apprentices and apprenticeship programs throughout the state and creating flexible and scalable work-based learning programs, for youth and adults, that focus on key economic sectors and regional high wage-high demand jobs. OWBLA is supported with a state appropriation and federal grants.

DWD builds and improves the skills of Indiana's existing workforce through a network of 20 WorkOne full service (comprehensive sites) and 60 WorkOne affiliate offices located in 12 regional workforce service areas throughout the state. DWD supports these offices with its own 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.

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. DWD understands the need to provide a workforce that matches employer demand and promotes economic growth.

For the 2022-2023 biennium, DWD is requesting a General Fund budget of \$42,690,625 for fiscal year 2022, and the same amount for fiscal year 2023. Our department's request is summarized below.

Program	FY 2022 Appropriation	FY 2023 Appropriation
Adult Education Distribution	\$12,600,000	\$12,600,000
Adult Education Administration	\$385,041	\$385,041
Dropout Prevention/JAG	\$6,800,000	\$6,800,000
Next Level Jobs Employer Training Grant	\$16,964,066	\$16,964,066
Workforce Ready Grant	\$3,000,000	\$3,000,000
Office of Work-Based Learning and Apprenticeship	\$510,000	\$510,000
Workforce Development Fund	\$1,138,715	\$1,138,715
Serve Indiana	\$239,560	\$239,560
Work Indiana	\$150,000	\$150,000
Proprietary Education	\$53,243	\$53,243
Indiana Construction Roundtable	\$850,000	\$850,000
TOTALS	\$42,690,625	\$42,690,625

Description of 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 our WorkOne offices throughout the state. They are divided into three buckets to serve different workforce populations: adult, youth, and dislocated workers. Income qualifications must be met in order 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. 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. 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. 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) diploma as well as in-demand occupational credentials.
7. 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.
8. 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.
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. This program also provides funds to employers to reimburse for expenses incurred in assisting employees obtain their high school equivalency diploma.
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.
11. Trade Adjustment Assistance Act (TAA) (federal) – helps workers whose employment has been adversely affected by increased imports or shifts to foreign production/services. Benefits include job search, training, relocation assistance, wage subsidy for older workers, income support while in training, and a healthcare tax credit.
12. Jobs for Veterans State Grants (JVSG) (federal) – staffing grant for Local Veterans Employment Representatives (LVERs) and Disabled Veteran Outreach Program Specialists (DVOPS) who provide labor exchange individual career services to veterans and employers to ensure veterans receive priority of service and preference in hiring initiatives and job referrals.
13. Serve Indiana (state and federal) – administers the state’s AmeriCorps programs and is the mechanism to promote and strengthen volunteer activities throughout the state. Serve Indiana also partners with employers to support the development and strengthening of employer-based volunteer programming and the Indiana Kids program (after-school mentoring).
14. 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.
15. Workforce Development Fund (state) – currently used to fund workforce programs, such as Jobs for Hoosiers, and to pay salaries for workforce related staff.
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.

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.

ACCOMPLISHMENTS OVER THE LAST BIENNIUM (FY20, FY21)

The pandemic has had a profound impact on DWD, which required a herculean effort by 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 was unlike anything the department had ever experienced, and resulted in providing short-term income assistance and virtual employment/career service guidance to hundreds of thousands of Hoosiers. DWD also partnered with the Governor’s Workforce Cabinet and the Commission for Higher Education to expeditiously implement the Rapid Recovery program, which supplemented the Governor’s Next Level Jobs initiatives with an extra \$33M in Coronavirus Relief Funds for training efforts. Other notable accomplishments are listed below:

1. Unemployment Insurance:
 - Provide unemployment insurance to workers impacted by COVID-19 Pandemic, which included the implementation of five new federal programs from a program and IT perspective - Federal Pandemic Unemployment Compensation, Pandemic Unemployment Assistance, Pandemic Emergency Unemployment Compensation, Extended Benefits, and Lost Wages Assistance (FEMA).
 - Stood up a new Contact/Call Center, implemented a phone filing system, and deployed virtual hiring and training.
 - Implemented several new Executive Orders, including among other things waiving the waiting week, waiving work search requirements, and adding flexibility around the “able and available” requirement of UI by allowing those impacted to by COVID-19 to be eligible for regular UI.
2. NLJ Employer Training Grant:
 - 1,340 employers have active or completed training plans
 - 2,374 employers engaged in NLJ (this number represents the total number of employers who have engaged in some way beyond just looking at the website)
 - 18,055 individuals have completed or in active employer training programs
3. NLJ Workforce Ready Grant:
 - Since inception, 1,393 individuals have completed a training program, with 735 of those earning a credential. Most credentials have been earned in IT and Business Services, followed by the Building and Construction sector.
4. Adult Education:
 - Ranked third nationally in number of students attaining a high school credential: approximately 5,000 each year.
 - Ranked first nationally for the percentage of enrollments obtaining a measurable skill gained at 67.11% PY 2018.

- Ranked seventh nationally for the number of students enrolled in Integrated Education and Training programs PY 2018.
 - Enrolled 273,375 participants between 2010 and June 2020.
5. Office of Work-Based Learning and Apprenticeship:
- 35,172 Hoosiers participated in a work-based learning program as of December 31, 2019; this is a 193% increase since inception.
 - Indiana has ranked as high as #2 in the country for the number of new registered apprentices and ranks consistently at #3 for apprenticeship completions.
 - 100th Certified State Earn and Lean (SEAL) program to be announced soon.
 - All five key economic sectors (advanced manufacturing – 34%, health and life sciences – 32%, building and construction – 11%, IT and business services – 10%, transportation and logistics – 5%) have current comprehensive SEAL programs.
6. Jobs for America’s Graduates (JAG)/Dropout Prevention
- Total Participants: 13,685
 - Total Participants Graduating High School: 10,225
 - Partnered with FSSA’s Division of Disability and Rehabilitative Services to leverage funding for a Pre-Employment Transitions Services program serving JAG students with disabilities.

National Accolades

- JAG Indiana had four (4) Ken Smith Scholars awardees and four (4) T-Mobile Scholarship winners, the most of any JAG national affiliate state.
- JAG Indiana received the Statewide 5 of 5 Award from National JAG six years in a row, ensuring even during COVID-19, JAG Indiana youth were completing educational and employment goals.
- JAG Indiana awarded the national Scholarship Award in 2020 for securing post-secondary education funding for JAG students totaling over \$19M. This is the 8th year in a row JAG Indiana has received this award.
- Expanded programming in 2020, in partnership with Strada Education Network, to 4 additional schools in southern Indiana, thereby piloting a public-private partnership for JAG Indiana.
- In 2019, JAG Indiana expanded the College Success Program models to include partnerships with Ivy Tech Community College and Vincennes University students.

CHALLENGES OVER THE LAST BIENNIUM (FY20, FY 21)

1. Continued need to invest in Hoosiers, in the midst of a pandemic, so that they can realize their full career potential in an ever-changing economy. Traditional delivery strategies have been adjusted to provide less in-person coaching, and more virtual services that are dependent upon technology solutions.

2. In Unemployment Insurance, conflicts between shortage of well-trained staff and devices and significantly increased claims caused by COVID-19 Pandemic. Also, the ability to quickly hire and train staff in efforts to meet the unprecedented amounts of calls to the contact center, issues to be adjudicated, appeals to be processed, and fraud detection and prevention and the units that support these functional areas. Staff fatigue has been an issue and as the increased volume of workload continues, staff are likely to experience burn out. UI has also seen an increased amount of fraudulent activity associated with the new Federal programs.
3. In Adult Education, providing quality professional development to all instructors statewide in-person and virtually; barriers include varying professional development needs of individual programs, part-time staff, and rural program locations. An additional challenge has been in offering integrated education and training concurrently and contextually in adult education classrooms.
4. Finding meaningful avenues to support communities through volunteerism during a pandemic. The demand for volunteer activities in communities across the state has increased and Serve Indiana is challenged to meet the demand with its current capacity.
5. JAG Indiana is looking for every available resource to sustain the current reach as well as to expand our JAG programs to serve many more students and schools. Now more than ever, this population needs support, training, and connectivity to help upcoming graduates have a fighting chance in what will clearly be an extraordinarily difficult labor market for anyone – let alone entry-level and first-time workers.

OBJECTIVES FOR THE NEXT BIENNIUM (FY22, FY23)

1. Unemployment Insurance
 - Continue to modernize the UI Program
 - Continue to improve Unemployment Insurance performance and reduce fraud via the increased use of technology, utilizing critical Penalty and Interest funds.
 - Recover from the increased pandemic workload associated with adjudication, appeals, fraud, overpayments, etc.
2. Expand opportunities to engage students in distance learning that lead to educational gains and increased participation in short-term training for industry-recognized credentials in high-wage, high-demand occupations.
3. Increase access to technology and connectivity for students who lack digital literacy and remote learning opportunities.
4. Continue to develop relationships with all Indiana employers to make sure we are aware of their current and future workforce needs.
5. Continue to strengthen outcomes of Regional Workforce Development Boards by building upon our current relationships.
6. For Registered Apprenticeships and SEALS
 - 30% increase in partners (employers and educators)

- 50% increase in participants in comprehensive programs
- 7. Having Regional Workforce Development Boards become registered apprenticeship intermediaries with U.S. DOL.
- 8. Implementing elements of the State's WIOA Plan that was drafted in the Winter of 2019/Spring of 2020.
- 9. Increase the visibility of JAG Indiana and its mission to serve our most vulnerable youth.
- 10. Strengthen the quality and impact of AmeriCorps programming in Indiana.
- 11. Increase the number of Employer Based Volunteer Programs in Indiana.
- 12. Increase the awareness of Serve Indiana in the general public.
- 13. Employment Training Grant
 - Continue reimbursing employers in the high demand, high priority sectors for training talent in communities across Indiana by delivering the total funding allowed.
 - Expand reach to attract more minority, women, and veteran owned employers.

KEY PERFORMANCE INDICATORS

DWD's Key Performance Indicators (KPIs) reported to the Governor's Office each quarter measure individual employment retention after the first and second quarter of a person receiving a service, as well as median wage gains and growth after having received assistance. The agency compares retention and wage data based on whether or not the service provided was: 1) self-service 2) staff assisted/case management service 3) training service or 4) adult education service.



In the fourth quarter of 2019 the agency reported the following data:

Service Group/Program	Total # Exiters	# Exiters Entering Employment 1 Qtr After Exit	% Exiters Entering Employment 1 Quarter After Exit	# Employed In Both 1 and 2 Quarters After Exit	Retention Rate
Self-Service	5,960	3,740	62.8%	3,223	86.2%
Staff Assisted/Case Management Services	7,287	4,789	65.7%	4,123	86.1%
Training Services	291	215	73.9%	192	89.3%
Adult Education	4,272	2,330	54.5%	1,938	83.2%
Self-Service (Unduplicated)	869	518	59.6%	433	83.6%
Staff Assisted/Case Management Services (Unduplicated)	6,996	4,574	65.4%	3,931	85.9%
Training Services (Unduplicated)	291	215	73.9%	192	89.3%

Service Group/Program	Median Wages (All) For Those Employed Within One Year Prior to Program Start	Median Wages (All) For Those Employed in Both 1 and 2 Qtrs After Exit	% Change in Median Wage (All) from Prior to Program Entry to Program Exit
Self-Service	\$8,419	\$6,564	-22.0%
Staff Assisted/Case Management Services	\$7,635	\$6,413	-16.0%
Training Services	\$4,313	\$7,091	64.4%
Adult Education	\$3,045	\$4,620	51.7%
Self-Service (Unduplicated)	\$8,601	\$6,587	-23.4%
Staff Assisted/Case Management Services (Unduplicated)	\$7,767	\$6,374	-17.9%
Training Services (Unduplicated)	\$4,313	\$7,091	64.4%