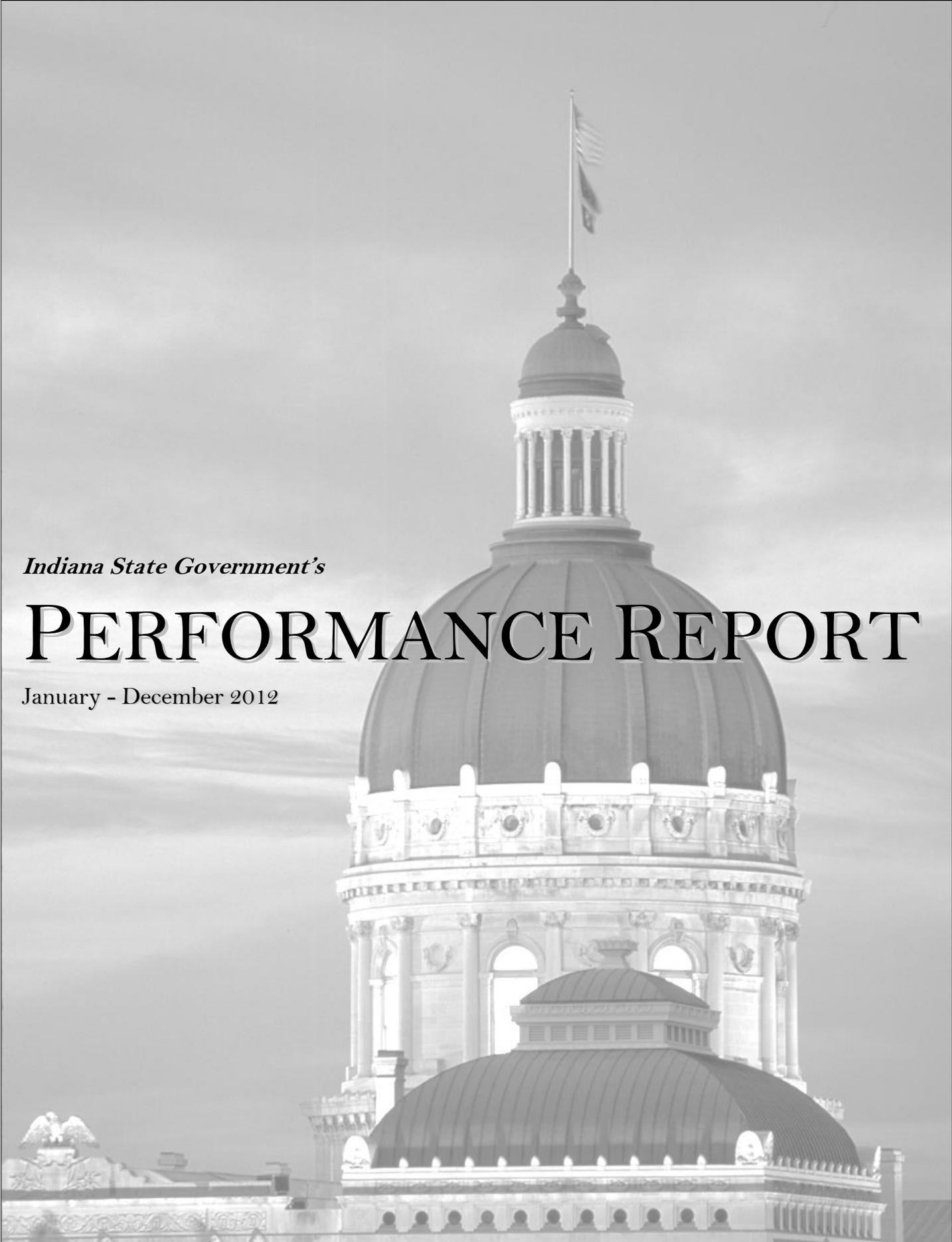


*Indiana State Government's*

# PERFORMANCE REPORT

January - December 2012





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## MEMORANDUM

To: Governor Daniels  
From: Cris Johnston, Deputy Chief of Staff  
Betsy Burdick, Deputy Chief of Staff  
Date: January 2013

It is on behalf of the 28,000+ Indiana state employees, the fewest per capita in the country, and with a tremendous sense of pride that we submit this final performance report to you. This report is meant to acknowledge and thank the tens of thousands of state employees who have truly transformed state government in Indiana. Today we have a government that works. It is one that operates efficiently and effectively for all those it serves and focuses on the customer. It is one that understands that every dollar it spends is a taxpayer's dollar and that unless it can spend it well it is better left in the taxpayer's pocket to do with as he wishes. It is one that promotes an environment in which businesses want to locate and expand to take advantage of the hard-working Hoosier workforce. It is one that prioritizes education and public safety and it is one that believes in openness and transparency. It has become all of these and more during the last eight years under your leadership, and as a result Indiana's state government is now one in which 77% of Hoosiers rate its state government as effective according to a recent survey by the Manhattan Institute.

With more than 70 agencies in the executive branch we could have written a story about each and every one however; this report aims at highlighting some of the major transformations that have occurred throughout state government over the last eight years. From entire agency overhauls to new programs, and innovative problem solving we have attempted to share a few of their stories. You are the one who told all of us on day one that "if you are not keeping score you are just practicing." Well we have been keeping score and are proud of our results. You can find the performance metrics for every agency at [Results.IN.gov](http://Results.IN.gov).

We thank you for the opportunity to serve the citizens of the great state of Indiana for the past eight years. Your leadership allowed each of us to grow and try new things and the result has been a better government for all those we serve. Thank you for challenging us to Aim Higher!



## Indiana Economic Development Corporation

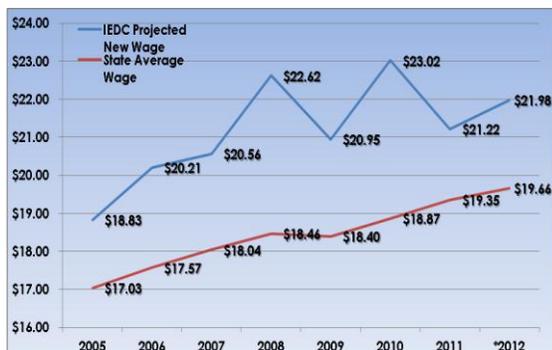
Since 2005 Indiana has cultivated a pro-business climate for record economic development success. In order to build the “best sandbox in America” for business growth, the administration focused first on building the basic framework of getting the state’s fiscal house in order, re-engineering government to operate at the speed of business and building a 21<sup>st</sup> century infrastructure. Building that sandbox involved cutting unnecessary government expenditures to balance the state budget, measuring the time it took to deliver government services, finding new ways to accelerate the speed of government, and efficiently using those gains to lower taxes and invest in projects like Major Moves to upgrade Indiana’s transportation networks.

The next step was to focus on initiatives that would attract the types of businesses with high-paying jobs and long-term potential for sustainable growth. The bottom line is that Indiana is now one of the best-positioned states in the nation for economic growth and prosperity, primarily because of the administration’s commitment to build a stronger Indiana by focusing on the state’s balance sheet, business-friendly policies, and the infrastructure necessary to bring innovations to market in the 21<sup>st</sup> century. Indiana has had one record breaking year after another these past eight years in economic development including number of total projects, projected new jobs and projected capital investment.

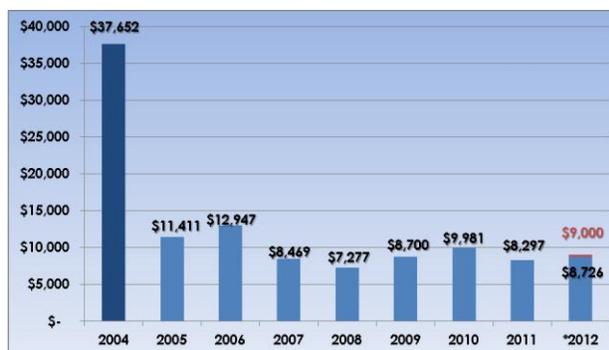
YEAR	TOTAL PROJECTS	PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT
<b>2012 YTD*</b>	<b>251</b>	<b>27,858</b>	<b>\$6,579,199,028</b>
<b>2011</b>	<b>219</b>	<b>19,080</b>	<b>\$2,681,629,249</b>
<b>2010</b>	<b>200</b>	<b>23,017</b>	<b>\$4,382,803,801</b>
<b>2009</b>	<b>160</b>	<b>19,955</b>	<b>\$1,951,932,800</b>
<b>2008</b>	<b>151</b>	<b>18,659</b>	<b>\$4,219,729,598</b>
<b>2007</b>	<b>158</b>	<b>22,627</b>	<b>\$3,382,319,020</b>
<b>2006</b>	<b>186</b>	<b>21,995</b>	<b>\$8,442,352,600</b>
<b>2005</b>	<b>142</b>	<b>15,407</b>	<b>\$2,754,993,000</b>
<b>TOTAL</b>	<b>1,467</b>	<b>168,598</b>	<b>\$34,394,959,096</b>

The average Hoosier wage has continued to increase every year since 2005, with similar gains in private sector job growth and in the number of new companies moving to Indiana. It is important to note that creating an attractive and stable environment for business also made it possible to rein in the amount of incentives necessary to attract new companies to the Hoosier state. In 2005, the average incentive cost per job was \$37,000 and today that number has decreased to \$9,000.

### Hoosier Average Wage



### Conditional Incentives Per Job



## Indiana's Fiscal Health

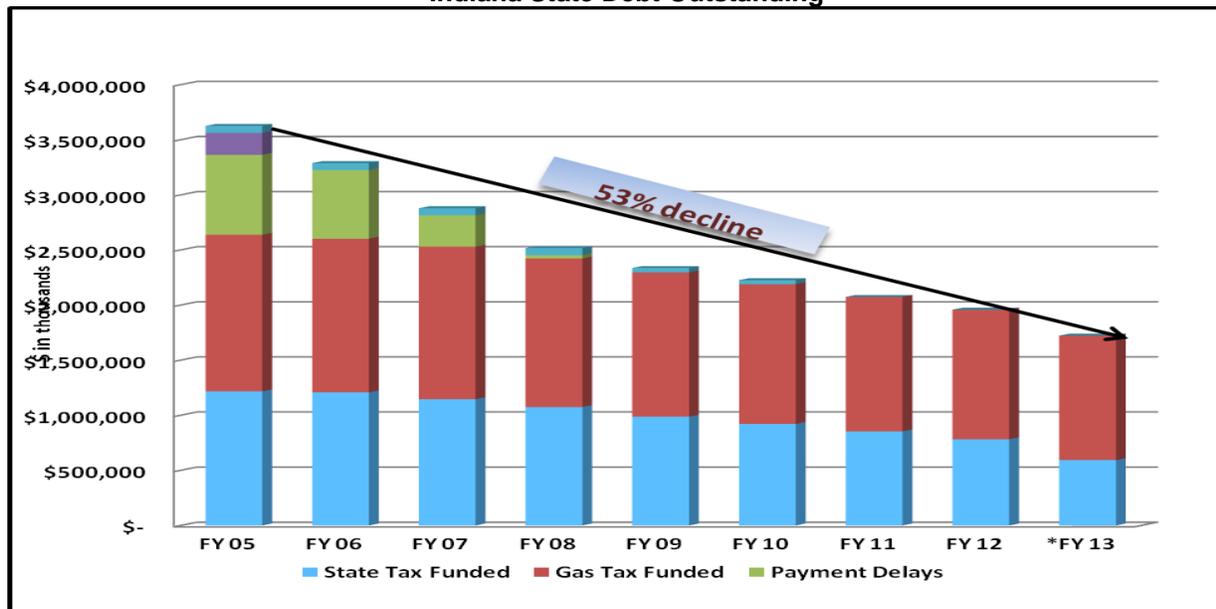
In January 2005, the State of Indiana was broke. The State of Indiana had suffered from its seventh straight year where expenditures outpaced revenues, owed over \$700 million to local governments and schools and had depleted its reserves. The focus on fiscal responsibility, living within our means, keeping expenditures low and understanding that every tax dollar collected and utilized by state government is one less dollar in the pockets of hardworking Hoosiers has remained at the forefront of this administration for the last eight years.

Indiana closed Fiscal Year 2012 with total reserves of \$2.15 billion and an annual structural surplus of \$570 million. Indiana now is in one of the strongest states in the country in terms of its fiscal condition. During these past eight years Indiana received its first AAA credit rating and it remains one of only nine states in the country to hold this rating from all three major credit rating agencies.



Our expenditures have grown at less than one-quarter of the rate of the previous decade and we have the fewest state employees per capita in the country. Another outcome of such strong fiscal management over these last eight years is that Indiana has paid down 53 percent of its outstanding debt.

### Indiana State Debt Outstanding

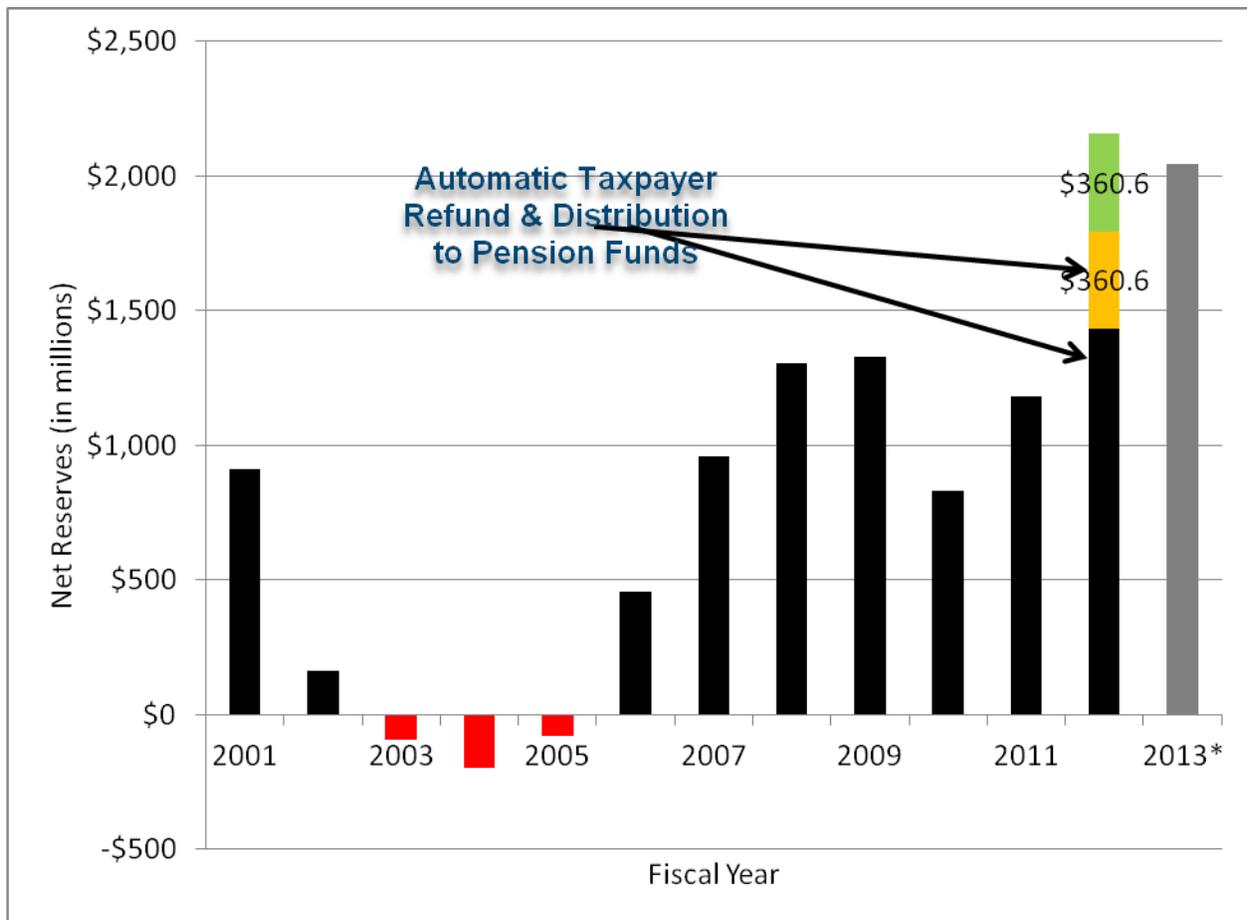


According to State Budget Solutions, August 2012, Indiana has the third lowest debt per capita for state governments, the third lowest debt as a percentage of gross domestic product, and the second lowest debt per private sector worker.

### Automatic Taxpayer Refund

In mid-November of 2012, it was announced for the first time in the state's history taxpayers will receive a credit on their taxes due in 2013 because of the state's automatic taxpayer refund (ATR). Indiana closed the 2012 fiscal year with reserves of \$2.155 billion or 15 percent of the state's budget. In 2011, the Indiana General Assembly approved your plan for an automatic taxpayer refund if the state's reserves exceeded 10 percent at the end of the budget year that ended on June 30. In future years, the reserve threshold will be 12.5 percent.

There are approximately 3.26 million eligible Hoosier taxpayers. The total ATR amount for individual taxpayers is \$360.6 million. This means that Hoosiers who file individual returns next year will receive a credit of \$111 and joint filers will receive a credit of \$222. The typical taxpayer liability is \$850, the taxpayer refund represents a median tax cut of about 13 percent. There are about 335,000 taxpayers who will receive a refund in 2013 who otherwise would have owed taxes without the ATR. About 890,000 taxpayers will receive at least a 25 percent income tax reduction. About 460,000 taxpayers will receive at least a 50 percent refund (owe \$222 or less) and approximately 230,000 taxpayers will receive a 100 percent refund (owe \$111 or less).

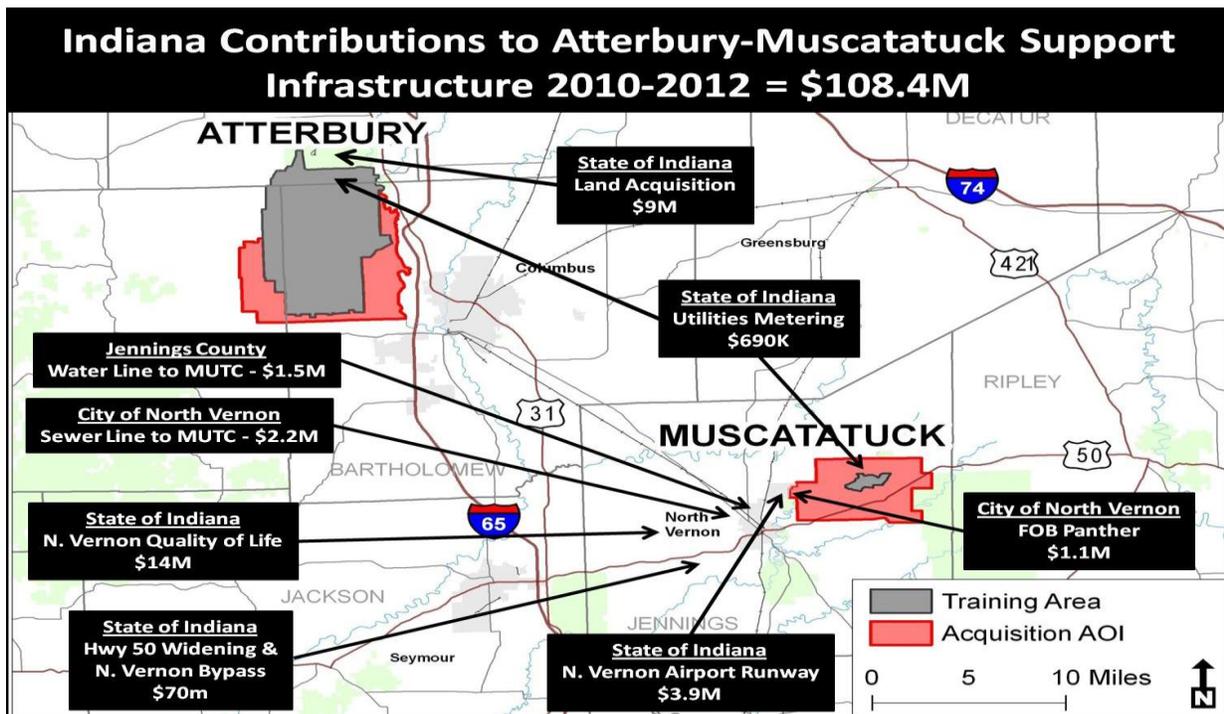


The total budget surplus was \$721 million. The other \$360 million has been used to strengthen various state pension funds including the Judge's Pension Fund, the Conservation, Gaming and Excise Officers Pension Fund, Prosecutor's Pension Fund, State Police Pension Fund and the Pre-1996 Teacher's Retirement Fund.

## Indiana's Defense Industry

In 2005, Indiana saved jobs by successfully presenting Indiana's defense industry during the 2005 Base Realignment and Closing hearing. The Department of Defense issued the Base Realignment and Closing (BRAC) recommendations that had the potential to adversely impact the Indiana economy and the lives of thousands of Hoosier households. BRAC recommendations would impact eight of Indiana's military installations and had the potential to cost 1,800 jobs. Indiana's military assets were saved from these cuts and no jobs were lost in Indiana.

Recognizing our strengths to become a leader in the defense industry, the administration set out to make certain that Indiana was as attractive as it could be for defense related contractors and businesses to locate and grow in Indiana. A great deal of time and over \$100 million dollars was spent to improve and develop the infrastructure around Atterbury and Muscatatuck. These two facilities along with Crane Naval Warfare Center serve as the state's defense industry hub.



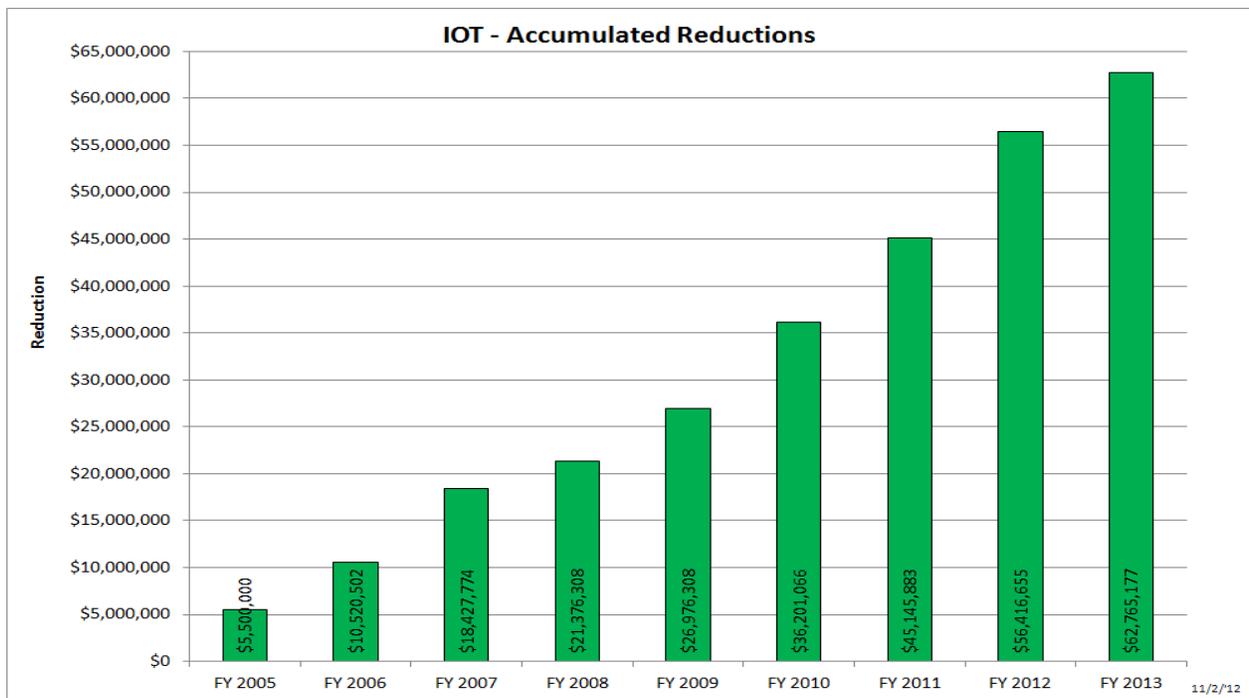
Since 2007, Indiana's defense industry has grown despite declining contract values. A report by the Kelley School of Business (KSB) calls the growth in Indiana's defense industry, "one of the most important untold stories of the last decade." In 2001, Indiana had fewer than 400 defense contractors whose total contracts valued at \$1.8 billion. By 2010, 1,136 Hoosier businesses had received 9,889 federal defense contracts amounting to \$4 billion. The rate of growth in Indiana is nearly twice as great as the increase in total U.S. defense contract dollars. Since 2001, the value of defense contracts awarded to Indiana has more than doubled and the annual number of unique contracts awarded has increased nearly five-fold.

The story does not end there. A report by the Ball State Center for Business and Economic Research, determined the economic impact of DoD contracts on Indiana's top four sectors—light truck and utility vehicle manufacturing; aircraft, engine, and parts manufacturing; engineering services; and radio and television broadcasting and wireless communications equipment manufacturing. Defense spending in these sectors alone brought \$1.6 billion into the state economy, accounted for 21,000 jobs, and increased personal income by over \$1.1 billion. All of this economic activity benefits the federal, state, and local governments, as well. According to the KSB report, defense-related economic activity in Indiana generated \$375 million in federal revenues in 2010 alongside \$240 million in state and local collections.

## Indiana Office of Technology

The Indiana Office of Technology began consolidation of agency IT infrastructure services immediately following the start of your administration in 2005. This provided the foundation for many substantial successes throughout the entire 8 years of the administration as well as accumulating over \$62 million in direct IT service costs savings. Highlights of these substantial successes are:

- Consolidated all (100+) agencies into one IT shared services organization and centralized 6 data centers
- Implemented the State's first consolidated statewide financial system and consolidated statewide Human Resources system
- Implemented the State's first common look and feel web portal for 108 agencies on IN.gov.
- Implemented the first state disaster recovery capability with implemented systems in the Indiana University Bloomington data center
- Implemented award winning transparency website providing agency financials as well as performance measurement results
- Transitioned vendor provided FSSA Modernization data centers and support operations
- Transitioned Ivy Tech and City of Indianapolis onto State shared mainframe services



## Indiana State Department of Health – Immunization Rates

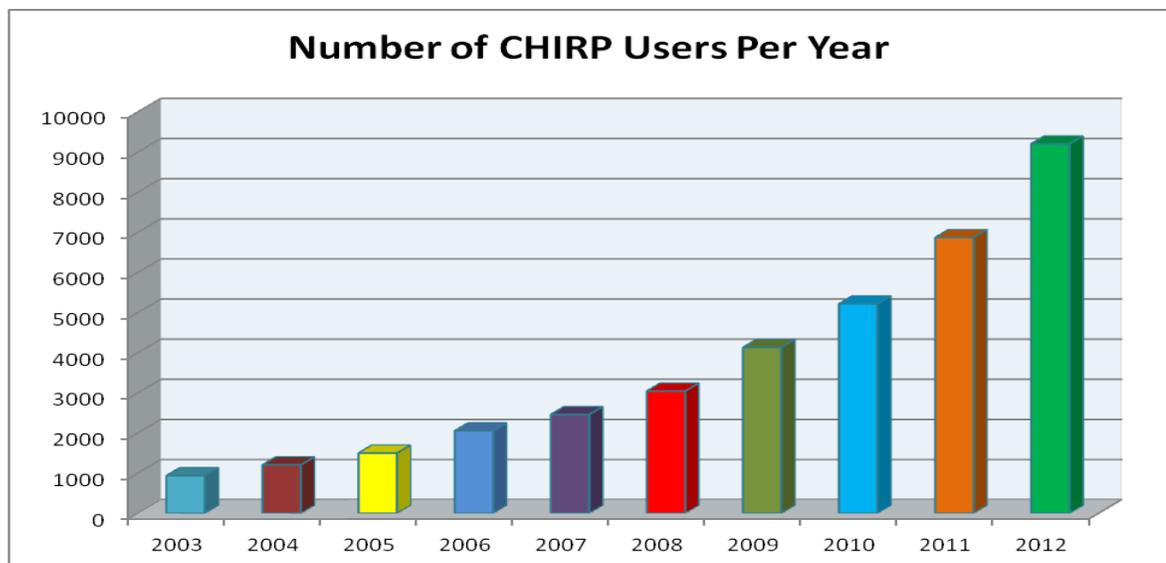
In 2006 the goal of having every Hoosier child fully immunized by age 2 was announced, and through an increase in the cigarette tax \$11 million was dedicated toward this initiative. At the time, one of the largest factors in children not being immunized was a lack of vaccine supply. The additional dollars dedicated toward childhood immunization in 2006 completely solved that problem and since then Indiana has never been short of supply. Seeing that every child receives the proper vaccine at the local level remains the largest challenge but we are making progress. In 2005, 69.9 percent of Indiana's children were fully immunized. Today that percentage has increased to 73.4, and although still short of our 100 percent goal progress is being made.

Additionally, Indiana teens are among the most well protected in the nation from certain infectious diseases, according to the 2011 Centers for Disease Control and Prevention (CDC) National Immunization Survey for Teens (NIS-Teen). Hoosier teens are second in the nation for tetanus, diphtheria and whooping cough coverage (93 percent) and first in the nation for meningitidis coverage (92 percent).

Increases in both childhood and teen vaccination are in part the result of the State Department of Health's partnership with VaxCare, a third party billing agency. VaxCare began helping local health departments across the state administer vaccinations to those fully insured children and giving them the ability to bill private insurance. This partnership has been a huge step forward in resolving the barrier to access issue that many families face.

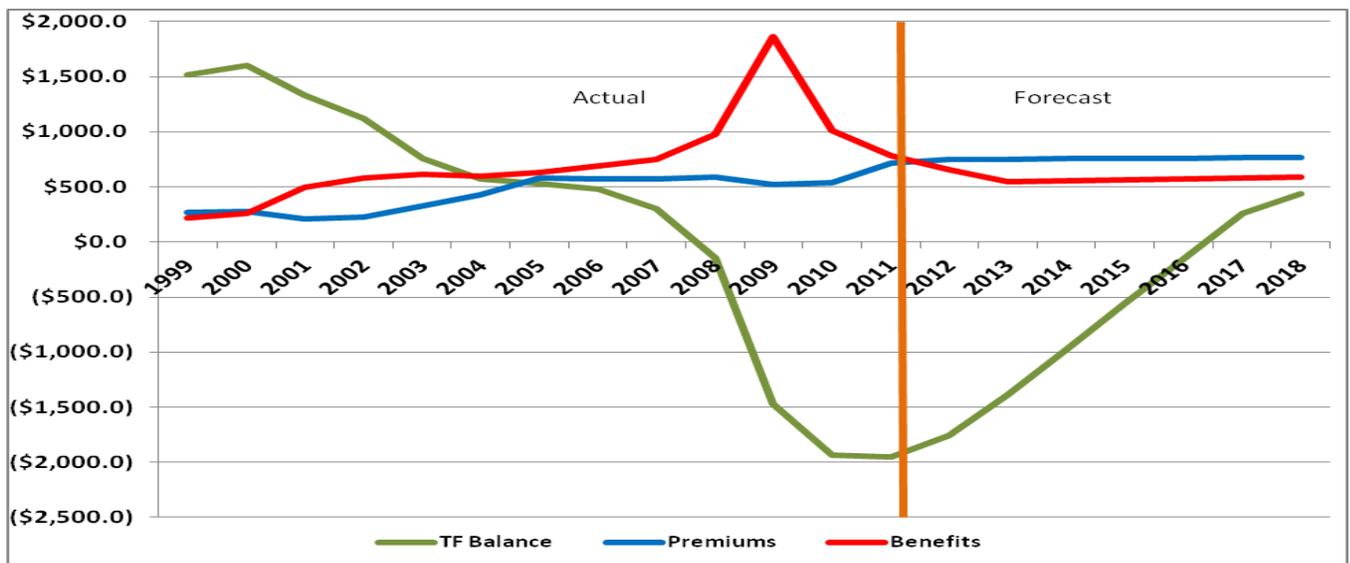
- 17,571 doses of vaccine have been administered through the VaxCare Project as of December 12, 2012.
- \$1,162,874 worth of vaccine has been distributed to 27 local health departments.
- \$78,504 has been paid to local health departments for administration fees with VaxCare.

Finally, CHIRP, the Immunization Registry, became fully functional in 2002-2003. Over the ten years of existence, the registry has seen a steady increase of users. The percent increase in 2012 was 34% for the number of active CHIRP users. Part of this success is due to the successful launch of MyVaxIndiana, in July of 2012. MyVaxIndiana is a secure online tool that allows Hoosiers to access their immunization records through the use of a personal identification number. Indiana is one of the first states to provide this service to our residents. As of October 2012, more than 2,300 records have been accessed and 12,962 unique PINs have been issued.



## Solving the Unemployment Insurance Trust Fund Problem

In 2001, Indiana began to develop a structural problem in its unemployment insurance program. It was at that time that the premiums paid into the fund by Indiana employers were less than the benefits paid out to unemployed Hoosier workers. This structural problem continued to worsen over the next several years but went unaddressed because a balance had grown in the unemployment insurance trust fund which was spent down during this time to make up for the annual shortfalls. In 2008, the trust fund was depleted and Indiana state government had to borrow from the federal government to pay its unemployed workers their benefits. Watching this problem worsen, you, leaders of the Indiana Chamber of Commerce and the Indiana Manufacturers Association and members of the Indiana General Assembly worked together to develop a balanced solution to bring the system back into structural balance. By 2011, Indiana had borrowed more than \$2 billion from the federal government for benefit payments. The legislative proposal passed in 2011 to fix the unemployment insurance trust fund problem that had been plaguing the state for a decade. The result of the legislation, which increased premiums paid by employers slightly, and closed a number of benefit loopholes but did not reduce the maximum benefit paid an unemployed worker like many other states did, resulted in the trust fund returning to structural balance in 2012. Today, with the economy in Indiana performing better than the nation, we are running ahead of projections to pay off the federal loan in 2018 as we are now in a position to pay it off 1 year early and save additional interest expense.



## Home Energy Conservation Program

While most other states took their federal ARRA funding and just supplemented their existing Weatherization Assistance Program, you were clear that Indiana would utilize this one-time money in a manner that would improve the lives of Hoosier families as efficiently and effectively as possible. IHEDA worked to develop the Home Energy Conservation Program. Studies were conducted to cap the per house expenditure at \$3000 to maximize the \$131 million and improve as many houses as possible. This program, which incorporated more outreach and education than the old weatherization assistance program, weatherized more than 20,000 homes across the state. A very unique aspect of Indiana's program was the utilization of a centralized purchasing system for materials. Through the use of centralized purchasing, Indiana was able to save roughly \$1.8 million on materials, which was then redirected towards services and allowed for the weatherizing of 372 additional houses. Additionally, the centralized purchasing of materials (which was unique to Indiana's program) eliminated the concern for fraud in this program. The federal Inspector General cited fraud in the Weatherization program as the number one concern in the entire stimulus package. In fact, Indiana was the only state to receive a clean audit from the federal IG for our program.

## Indiana Department of Natural Resources – Conservation Program

Upon taking office in 2005 you made conservation one of your administration's top priorities. Since then the Department of Natural Resources has protected over 51,000 acres of public land in perpetuity – a record breaking amount in our state's history. Goose Pond and the Deer Creek Fish and Wildlife Area are two of the biggest single conservation projects this state has ever seen.

- Goose Pond: Acquisition of the 8,000-acre wetland restoration in Greene County. Predictions that Goose Pond would be a magnet for migratory birds proved accurate.
- Healthy Rivers Initiative: Launched in 2010, the land conservation project seeks permanent protection of nearly 70,000 acres along Sugar Creek, the Wabash River and the Muscatatuck River.
- The Deer Creek Fish and Wildlife Area: Created from nearly 2,000 acres of surplus state land in Putnam County that the DNR received in a land exchange with the Indiana National Guard where a part of the fish and wildlife area near Camp Atterbury was turned over to the National Guard to allow for the growth and expansion of Camp Atterbury's training facility.

In the same spirit that created our state park system in 1916, you created the Bicentennial Nature Trust to help celebrate Indiana's 200<sup>th</sup> birthday in 2016 with new public lands. Through this effort Hoosiers are assured that land conservation will remain a priority for the state for decades to come and that the beauty of our state lands will be preserved for our children and grandchildren to enjoy.

## Minority and Women's Business Enterprises (MWBE)

The State of Indiana remains committed to utilizing diverse contractors for state purchases and projects. The Governor's Commission on Minority and Women's Business Enterprises sets annual goals for the participation of MBEs and WBEs on state contracts; the Minority and Women's Business Enterprises Division focuses on reaching those goals by promoting the use of MBE and WBE vendors on state contracts. Through increased marketing and outreach the MWBE program has seen unprecedented growth since 2005. The NFL Emerging Business program which was part of the Super Bowl XLVI efforts, resource fairs held in various cities around the state, the Ohio River Bridges Project Diversity group and a focused northwest Indiana strategy are but a few examples. The MWBE program has been working hard these past eight years and the proof of their efforts are in the record results.

### MWBE Certifications CY 2005- CY 2012\* (Through Sept 30, 2012)

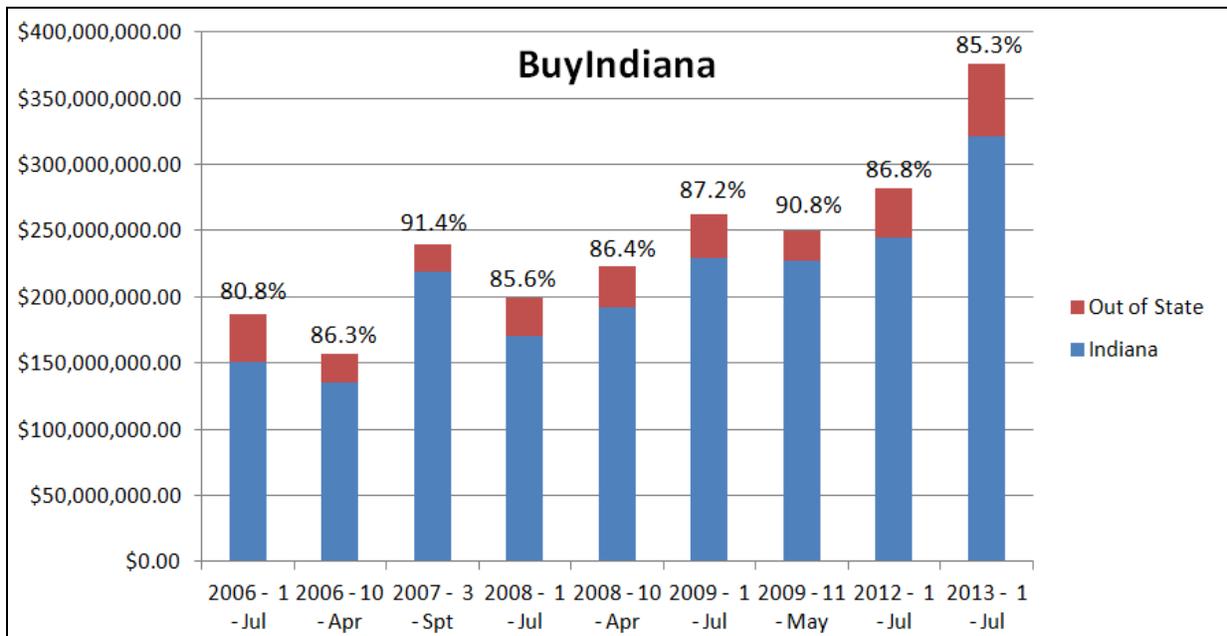
- # of certified MWBE firms increased by 77.7% from CY 2005- CY 2012\*
  - # of certified MBEs increased by 38.17%
  - # of WBEs increased by 112.33%
- Average Days to Certification Decision
  - Prior to 2005 6+ months
  - Dec. 2010 43 days
  - Sept. 2012 29 days

### MWBE Spend Commitments FY 2005- FY 2012

- Overall MWBE spend commitments for FY 2012 = 11.01% of total state spend
  - FY 2005 spend commitments were 4.35%, an increase of 6.66%.
- Average yearly spend with MBEs -- \$83,070,739.06 (FY 2005 --FY 2012)
- Average yearly spend with WBEs -- \$82,224,045.17 (FY 2005 – FY 2012)
- MWBE spend in previous years
  - FY 2003 -- \$59,567,253.97
  - FY 2004 -- \$66,977,637.46
- MWBE Spend Commitments for FY 2013 YTD (Through 9/30/12)
  - FY 2013 YTD spend with MBEs -- \$55,491,099
  - FY 2013 YTD spend with WBEs -- \$ 3,172,957

## Buy Indiana

Effective July 1, 2005 the Indiana Department of Administration set out to fulfill the goal for state agencies to procure ninety cents of each dollar from Indiana businesses. Prior to 2005, our best estimate shows that state agencies spent roughly only 60 cents of every dollar with an Indiana business. A key component of this effort was for state government to invest in and support those businesses that have made, and continue to make, significant economic investment in Indiana. The state established purchasing preferences, policies, and procedures which tracked the State's actual spend with Indiana businesses relative to non-Indiana businesses. Over the last eight years the result of the Buy Indiana program has been that hundreds of millions of dollars that once went to out-of-state businesses are being spent with Indiana companies keeping those dollars as part of the Hoosier economy. Below is a snapshot of the state's purchases from July 2005 to July 2012 where it is evident the state continues to maintain its investment in Indiana companies.



## ONEIndiana

Operating with New Efficiencies (ONE) meant improving the state's sourcing and negotiating power to benefit the state's overall budget. Since August 2005, The Indiana Department of Administration continues to work on behalf of all state agencies to find solutions that directly improved the way the state purchases, which ultimately saves taxpayer dollars. Specifically, the IDOA has tracked and validated over **\$88 million** in savings for state agencies from April 2006 to June 2012. Initial success established a statewide agreement for office supplies and more recently a statewide Managed Service Provider (MSP) for contingent labor that has saved state agencies over \$18 million the past 2 ½ years.

In 2009, IDOA aggregated the purchasing needs for road salt, a *supplier-driven marketplace*, for nearly 200 cities, towns, and counties across the state; taking the ONEIndiana concept beyond savings for just state agencies. The partnership between local governmental entities and the state for road salt yielded over \$10 million in savings to participating locals from 2009-2012.

ONEIndiana continues to evolve and has expanded into more specific spin-off initiatives. For example, K12Indiana is the relationship specific focused on benefiting K12 schools through go-to-market strategies to leverage like purchases statewide.

ONEIndiana established the framework to benefit the state's overall budget; that goal has evolved as IDOA continues to identify opportunities to drive down prices and increase value for all State of Indiana entities involved.

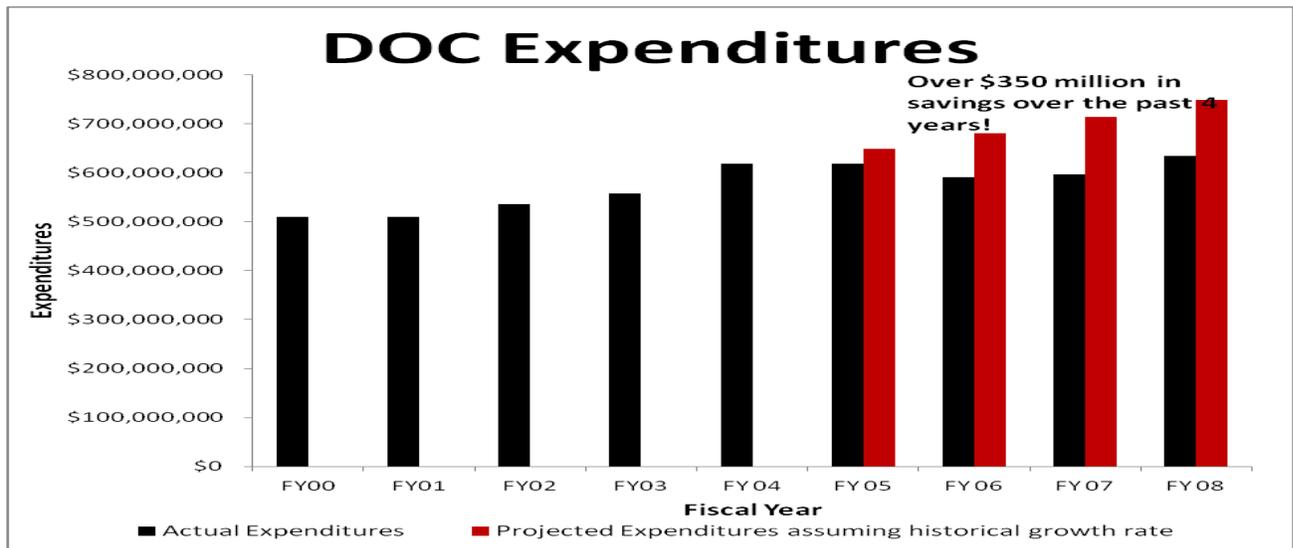
## Indiana Department of Corrections

Indiana's Department of Correction has become a model system over the last eight years, winning awards and recognition for its management, operations and innovative programs.

In 2005, IDOC's juvenile population exceeded 1,200 adjudicated delinquents, with an average stay in the IDOC of nearly one year. Working with juvenile judges, community corrections, educators, and others, the IDOC helped develop more local options than ever before to address juvenile delinquency. Today, the total juvenile count is less than 600 students, and their average stay in state incarceration has been reduced by nearly 40% in favor of a transition program that, in many communities, includes the support of the judiciary, as well as educators, mental health providers, and workforce specialists.

During the last eight years there has been an unprecedented emphasis throughout all of state government to control spending and operate as efficiently and effectively as possible. In the first three years alone, Indiana was able to avoid \$350 million in added costs to IDOC by leading such measures as:

- Efficient partnerships with third-party contractors for providing offender food services, expanded medical services, and management and oversight of certain prisons, and retrofitting prisons with energy-saving technologies
- Adding capacity within current prison facilities rather than relying on new construction
- Standardizing a staffing plan to bring the most out of all IDOC employees



In 2005, only a handful of prisons in Indiana attained accreditation by the American Correctional Association. During the last eight years, every prison, every juvenile detention facility, every parole district office, as well as the prison Industries and Farms program, the Department's Correctional Training Academy, and IDOC's central headquarters achieved ACA accreditation. For this achievement Indiana, for the first time, received ACA's coveted Golden Eagle Award.

In addition to these operational and management accomplishments the DOC has launched several new and innovative programs focused on the goal of reducing recidivism and the successful transition of an offender out of the system.

In 2005, the Department of Correction established Indiana's first faith and character-building prison housing units dubbed PLUS (Purposeful Living Units Serve.) Today twelve prisons, 6 lower-security facilities and two juvenile facilities operate PLUS faith-based housing units. PLUS program graduates return to prison at a rate nearly 27% lower than the IDOC's overall prison recidivism rate. The Indiana PLUS program serves as a national model, and received the Judith Coleman Chaplaincy Offender Program Award in 2009 from the American Correctional Chaplains Association.

"What can we do to reverse the methamphetamine epidemic in Indiana?" was one of the first questions you asked in 2005. In response, the IDOC developed the country's first prison-based therapeutic housing units devoted to helping those in the criminal justice system deal with this most-addictive of substances. This program, called CLIFF ("Clean Living is Freedom Forever") now operates within 3 of Indiana's prisons, and won the American Correctional Associations Program of the Year Award in 2009. To date more than 2,300 offenders have graduated from this program.



In the last eight years, Indiana has become a leader in preparing offenders to reenter their community as law-abiding citizens following release from prison. We embraced the concept of preparing convicted felons for return to their community starting day one of their incarceration with the Department of Correction. Their "Road to Reentry" was started at intake, and for some, ended at the country's first transition facility of its kind dedicated to preparing offenders for a self-sustaining law abiding lifestyle upon release. The Plainfield Reentry and Education Facility ("PREF") prepared offenders returning to Marion and surrounding counties. Over the years, representatives from other states and other countries toured PREF, as it was recognized as a national best practice correctional transition program.

The IDOC also expanded the array of evidence-based rehabilitative programs available to offenders in prison. Many inter-governmental partnerships were developed to improve offender transition. For example, soon-to-be-released offenders are obtaining the credentials they need for employment through a partnering with BMV to send a mobile licensing branch to prisons to process IDs and licenses. Similar inter-governmental partnerships were developed with Department of Health, FSSA, Department of Workforce Development, the Department of Veterans Affairs, and others to iron out processes that help emerging offenders apply for jobs, obtain available benefits, become financially responsible, and meet their basic life needs, so they can take on a new lifestyle removed from Indiana's criminal justice system.



## Indiana Department of Labor

The mission of the Indiana Department of Labor has been to advance the safety, health and prosperity of Hoosiers in the workplace. It involves a balancing act between regulatory and enforcement duties and compliance assistance, education and outreach to all those affected by the laws and regulations we enforce.

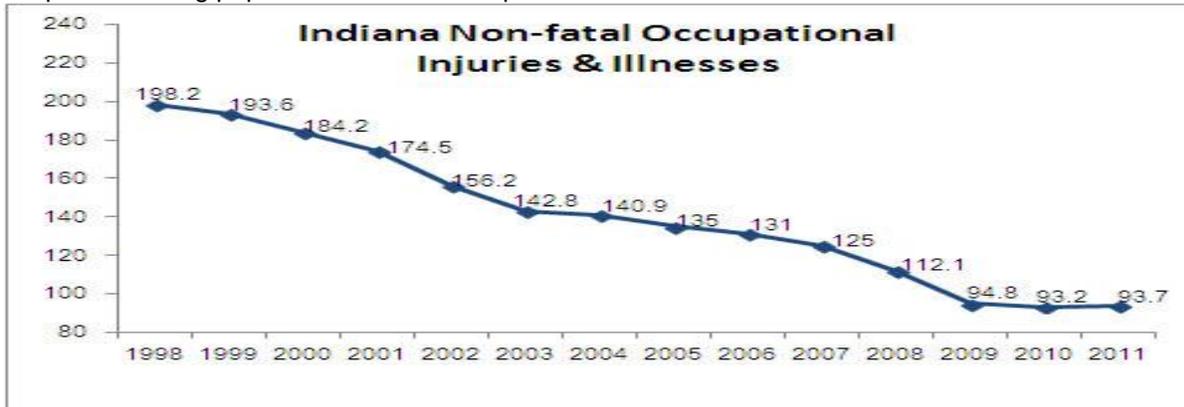


### Goals of the DOL

- Be a customer driven service agency
- Make decisions with integrity, transparency and responsibility,
- Be a prepared, educated and technically advanced workforce, and
- Reduce the injuries, illnesses and fatalities experienced by our working Hoosiers.

In 2005, there were an estimated 135,000 non-fatal occupational injuries and illnesses which were suffered by Hoosier workers

(with 2.8 million workers). That number was reduced year after year. In 2011, that number was 93,700, despite a working population of 2.7 million plus



Many strategic alliances and partnerships were created to better reach our stakeholders. Customer service expanded through enhanced web and online services. You can now request a consultation, print a wage claim and submit it, submit an IOSHA complaint or employer hazard correction form on line. Additionally, Common Construction Wage committee votes are all analyzed annually and searchable on line by county, project, owner or meeting date.

The dramatic change and improvement that has happened at DOL over the last eight years has received national notice. DOL won a national OSHA consultation award twice in 8 years (2008 and



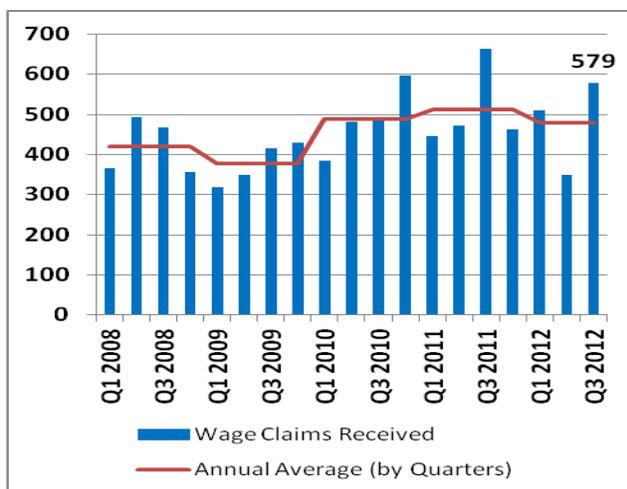
2010). DOL also won a regional award, the William Q. Wiehrdt Award, twice (2008 and 2011), for innovation in customer service. Though generally a regulatory agency, IDOL strives to deliver Indiana businesses service in different ways. DOL also provides value by serving as a free consultant in its substantive and technical areas of expertise. One example is an Elkhart company that asked DOL to help evaluate a new manufacturing process. Current industry practice in the manufacturing of motor home

sidewalls is a process that requires spraying fiberglass on a matting. Given that many people are sensitive to fiberglass, Dicor Corporation of Elkhart looked for a better, safer method. Once Dicor

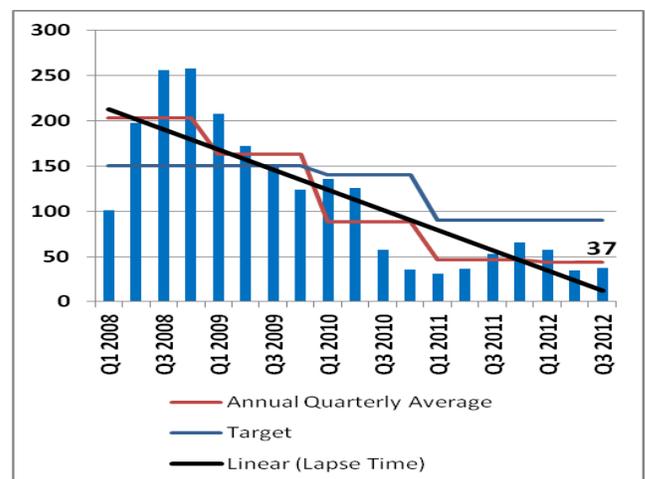
developed a process the company called in the expertise of INSafe, the division in the Indiana Department of Labor that offers outreach, education and free onsite consultations to Indiana businesses regarding improving the safety and health for employees. INSafe was first asked to do a complete walk-through regarding the physical plant and processes. Through that visit, Dicor initiated a second request for an industrial hygiene survey, that would determine whether the solvents, resins and other chemicals used in the plant were safe for employees. INSafe reviewed the nature of chemicals being used, the type of ventilation present, the personal protective equipment required, all at no cost to the company.

Another example of improved customer service is the reduction in response time to citizens' claims for unpaid wages. Previously workers could wait as long as 18 months or more to collect final paychecks or other wages due them. With the implementation of a new process to triage, respond to and collect valid claims for unpaid wages wait times were reduced from 270 days to a current average of 37 days. While the volume of wage claims increased with the national recession, the percentage of successful recovery increased from less than 50% to greater than 85%. The following graphs show the increase in volume and improvement in lapse times.

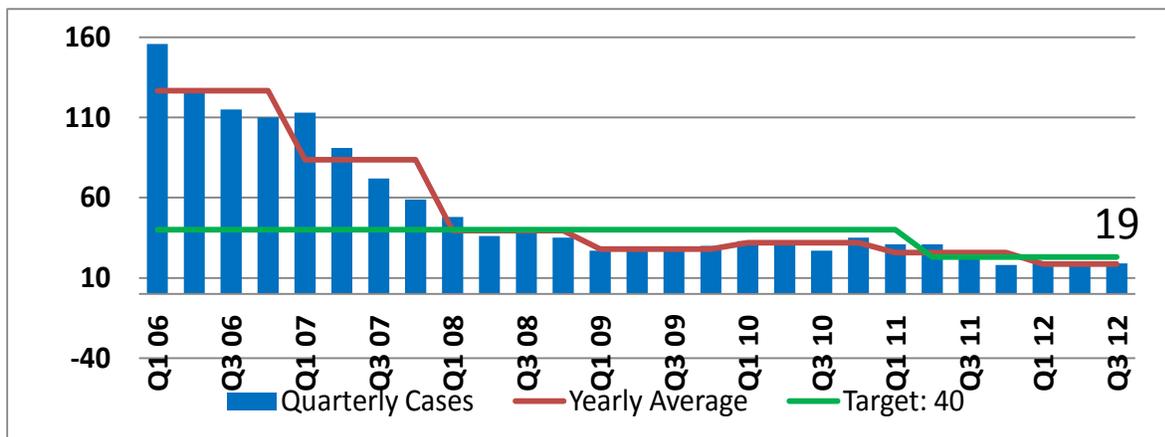
**Number of Wage Claims Received per Quarter**



**Wage Claims Lapse Time per Quarter**



In IOSHA, employers who contest an issued safety order file a Notice of Contest with the Board of Safety Review. Upon arrival in 2005, there were 287 pending cases, and 94 of them were more than 6 years old. Within 2 years, the number was reduced to 110 pending, 8 of them older than 6 years. By 2012, the normal case load is approximately 20 pending cases and none are more than 2 years old. Careful tracking by staff, an emphasis on timely trials or settlement, securing an administrative law judge from the private bar, and additional attorney general resources has allowed the agency to more efficiently handle this process.

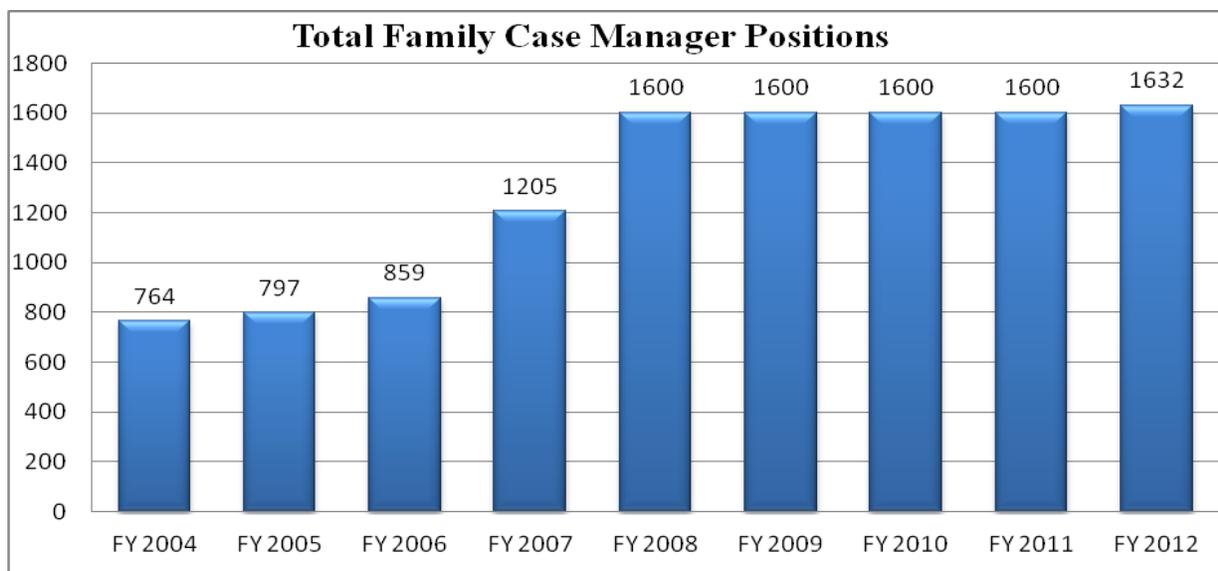


## The Department of Child Services

No population in Indiana was in more need of help in 2005 than Hoosier children at risk of abuse and neglect. In 2004, 57 Indiana children died of abuse or neglect, and the state division in place at that time had previously been in contact with 19 of them. A look back to that period presents a very dismal picture, with family case managers carrying case loads of up to 60 each in some counties. Add to that high workload the fact these case workers received no training prior to getting their first case, (today they are required to receive 12 weeks of training before getting their first case), it's not difficult to understand why some counties had a family case manager turnover rate as high of 40 percent, with a 20-percent state average, and just barely 10 percent of the children in the system receiving a visit from a case manager. And if a neighbor, teacher or anyone in the community wanted to report child abuse or neglect, they would have to find out which of more than 300 phone numbers to call.

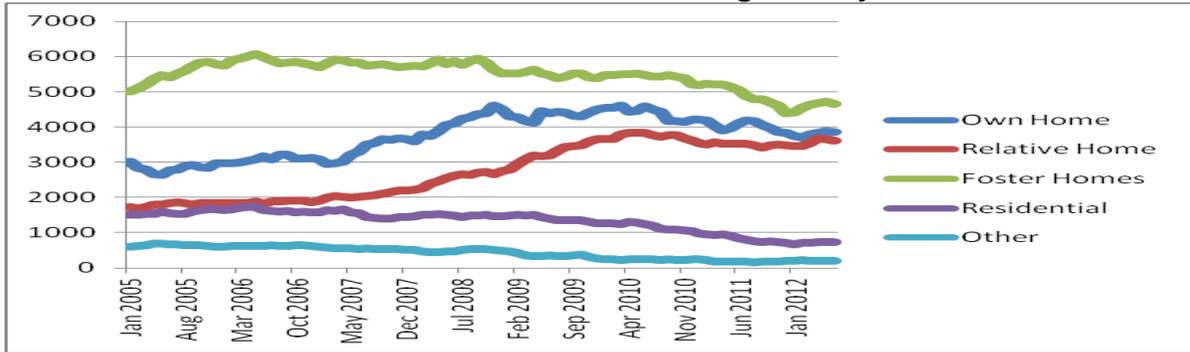
Today, things are very different.

In 2005, the Indiana Department of Child Services was created as a stand-alone agency with its own dedicated workforce, leadership and budget. DCS, at the end of the state fiscal year 2012, employed 1,632 family case managers, compared to the 764 on staff in 2005. By adding more than 800 new family case managers, DCS was able to put in place statutory case-load requirements to ensure case loads are kept, on average, to no more than 12 assessments per family case manager, or 17 ongoing cases. At the end of the state fiscal year 2012, 94 percent of DCS regions met these standards. And greater than 95 percent of the children under DCS's care were receiving a monthly visit from a case manager in 2011, versus 10 percent in 2005.



DCS also reached out to national child welfare experts and states with successful models of managing abuse and neglect. It studied and embraced the best practices known in the field, such as Safely Home, Families First—a practice of keeping children with their families when such can be done safely, or placing them with stable, loving extended family members when children must be removed from the home. Today, more than 27 percent of all children under the care of DCS are placed with relatives, compared to only 15 percent in 2005. And today, only about 5 percent of children are placed in institutions, a 51.8 percent reduction in this type of placement compared to 2004. These are important numbers to note, because experts across the country tell us that children benefit more from being with family or in a family setting than in an institutional facility.

### Children In Need of Services Placement Trending January 2005 to June 2012



In 2010 DCS instituted a centralized Child Abuse and Neglect Hotline, a long known national best-practice. Today, when any Hoosier suspects child abuse or neglect, they have one centralized number to call – 800.800.5556 – any day of the week, any time of the day. It’s staffed around the clock with more than 80 quality-trained family case managers, and is supervised 24/7. If the power or phone lines are out in the LaGrange office, for example, calls can still get through to a trained professional waiting to take a call. All calls are answered in an average of three minutes for community members, and even faster – 1.5 minutes on average – for law enforcement. As of the close of the state fiscal year 2012, the Hotline had taken more than 272,000 reports since its launch in 2010, resulting in more than 140,000 investigations. States such as Arizona, Illinois, West Virginia, Iowa and Michigan have explored Indiana’s hotline as an example of how to implement or improve their own operations in addressing reports of child abuse or neglect.

While we all agree that even one child’s death is far too many, the diligence and dedication of the more than 3,000 DCS employees over the past eight years has helped to reduce Indiana child fatalities from abuse and neglect to 25, according to the last fully verifiable report available as of this writing. Only four of those families had been previously involved with DCS, compared to the 19 on record in 2004.

Along with ensuring children’s safety and physical well-being, DCS is also responsible for the state’s Child Support Bureau, which works with local prosecutors and clerks to administer the child support program. Critical improvements were made in this area as well, with more than 60 percent of child-support payments being made timely in federal fiscal year 2012 compared to approximately 52 percent in 2005. That translates into nearly \$120 million more dollars going to custodial parents during the federal fiscal year 2012 than were going to them in 2005. Additionally, child support income withholding collections in the last quarter of 2012 were \$27 million higher, compared to the last quarter of 2004. Undistributed collections, those funds due to custodial parents that were unable to be disbursed due to missing information, were cut in half between the federal fiscal years 2007 and 2010 – meaning more money made its way to children and families. Legislative action mandating back child support be withheld from gaming winnings also made a contribution—to the tune of \$1.3 million since 2010. There is, of course, more work to do. There always is when it comes to child welfare. But Indiana is on a better footing in this area than it has ever been.

### Child Support Collections

Each 1% improvement = \$7 million



## Family and Social Services Administration

### Redesigning Indiana's Public Benefits Eligibility System

Starting in 2005, FSSA undertook a dramatic redesign of Indiana's public benefits eligibility system. For years, Indiana lagged behind most other states in timely and accurate benefits processing. Case files were paper-based, and thousands of documents were stacked throughout the local offices in Indiana's 92 counties.

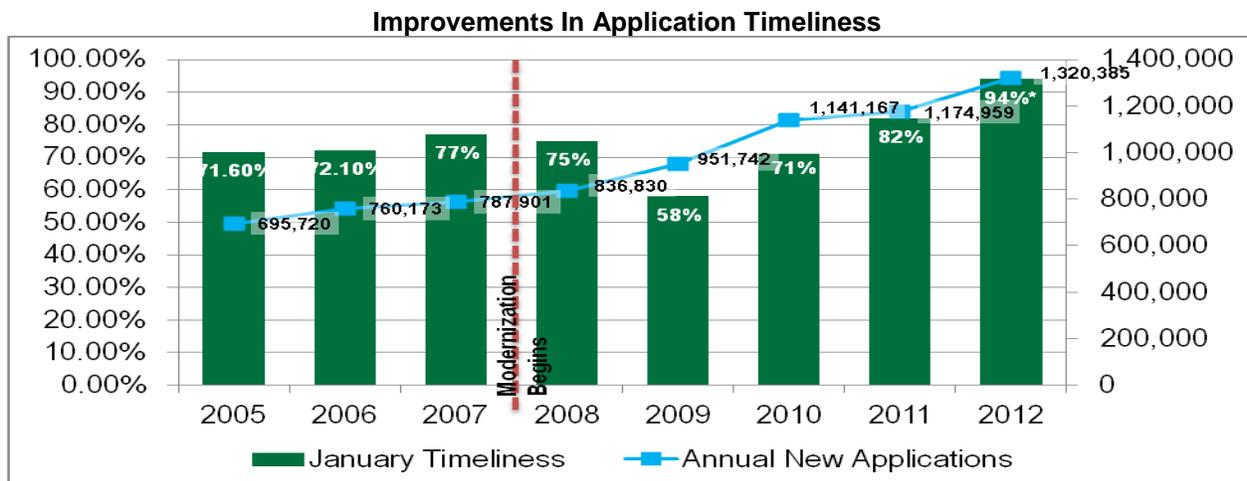
It was not uncommon for clients to be unable to reach their caseworker. This led FSSA to develop a new approach for conducting eligibility determinations. "Modernizing" the eligibility system was designed to make the cumbersome application process easier and faster for those we serve. It is widely known that the original design made significant improvements in some areas of service deliver but fell short of expectations in other areas including customer service/ satisfaction. This led FSSA to re-evaluate its new modernized approach and keep the most successful components of it while making adjustments to the less successful areas in order to improve performance. This new approach which was developed in 2009 has become known as the "hybrid" system.



**Figure 1: Case files were stacked throughout the local offices before FSSA undertook a dramatic redesign of eligibility processes that included implementing electronic client case files.**

The implementation of the "Hybrid" system began in January 2010 and continued on a regional basis until fully implemented in February 2012. Hybrid employs greater flexibility and more accessibility for clients via in-office, telephone, and Internet service options. Case files are electronic, and any caseworker in the State can access information regarding a person's benefits.

Indiana moved from one of the worst performing states in the nation in 2004, to one of the best for benefit management, even earning a national award. Though application volume increased over 90% since 2005, clients are being served in a more timely and efficient manner.



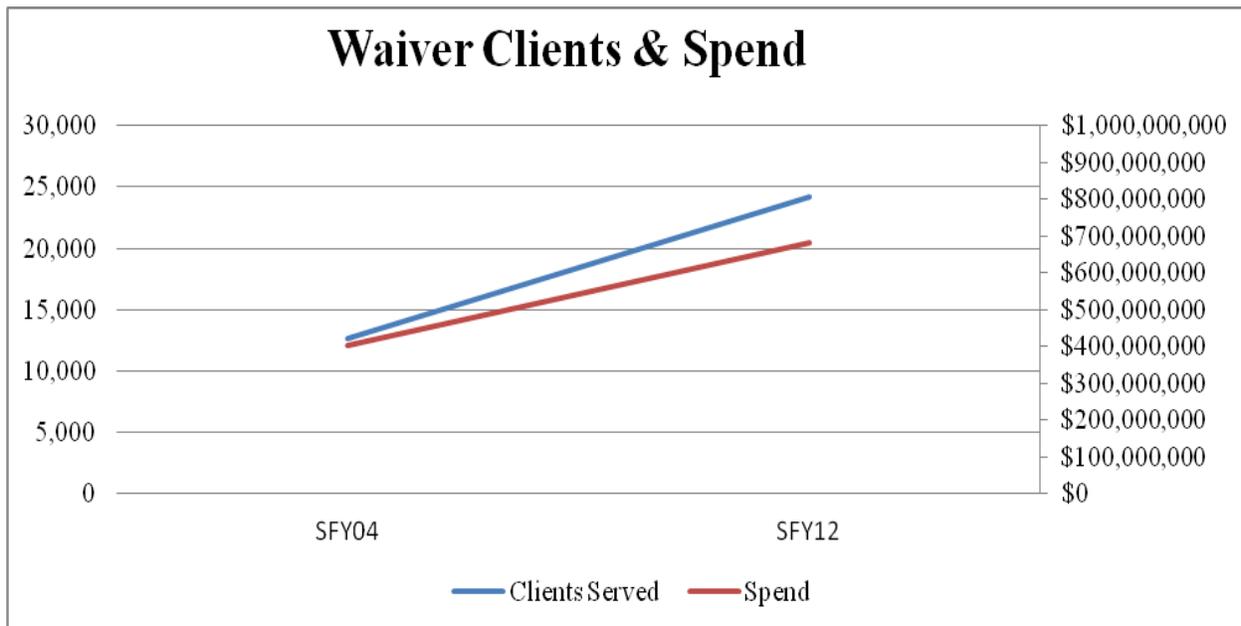
The metrics speak for themselves:

- Medicaid, SNAP (food stamp) and Temporary Assistance for Needy Families (TANF) timeliness was 94% at the end of September 2012. This compares to 75% timeliness in 2005 and 58% timeliness in 2009.
- Staff decreased the backlog of overdue applications by 87% since December 2009.
- The measures by which FSSA's federal oversight agency monitors accurate case processing, SNAP positive and negative error rates, now consistently outperforms the national averages.

### Medicaid Waiver Enrollment for Hoosiers in Need

FSSA operates several waiver programs for Hoosiers with significant healthcare needs to be served in the community rather than in an institution. Waivers allow individuals to remain in or return to their homes while receiving services. This is part of the national trend toward providing Home and Community-Based Services. Historically, the Developmental Disability (DD), Support Services (SS), Traumatic Brain Injury (TBI), Autism, and Aged and Disabled (A&D) waivers were available through FSSA for individuals who meet certain criteria. Beginning in late 2012, the DD, SS and Autism waivers were realigned to better serve clients with developmental disabilities and those individuals who are on the wait list.

Enrollment in waiver services has grown dramatically during the last eight years, and FSSA initiated efforts to target the wait list for each waiver. More Hoosiers in need are receiving services than ever before in the community.



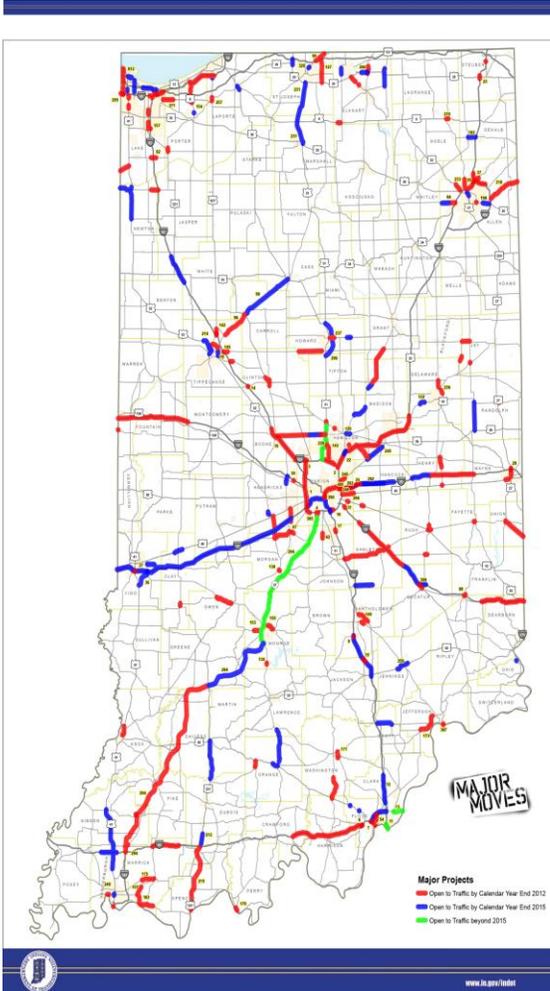
## Indiana Department of Transportation

Over the last eight years Indiana has made a lasting imprint on our state's transportation infrastructure system. The near-decade of record-breaking road and bridge building vastly enhanced safety, mobility and economic growth to all points north, south, east and west.

### Indiana Toll Road Lease

The Indiana Finance Authority (IFA) and Indiana Toll Road Concession Company (ITRCC) entered into a 75-year lease agreement for the operation and maintenance of the Indiana Toll Road (ITR) on April 12, 2006 that became effective upon closing on June 29, 2006. This transaction provided the state of Indiana with \$3.8 billion in lease proceeds. After paying off all outstanding debt on the Indiana Toll Road and setting aside a half a billion dollars for future road maintenance all of the remaining proceeds were dedicated to improving economic development and transportation infrastructure needs throughout Indiana.

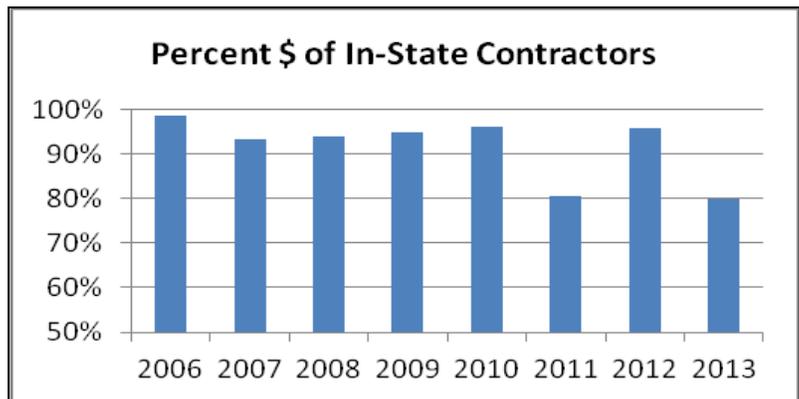
### Major Moves



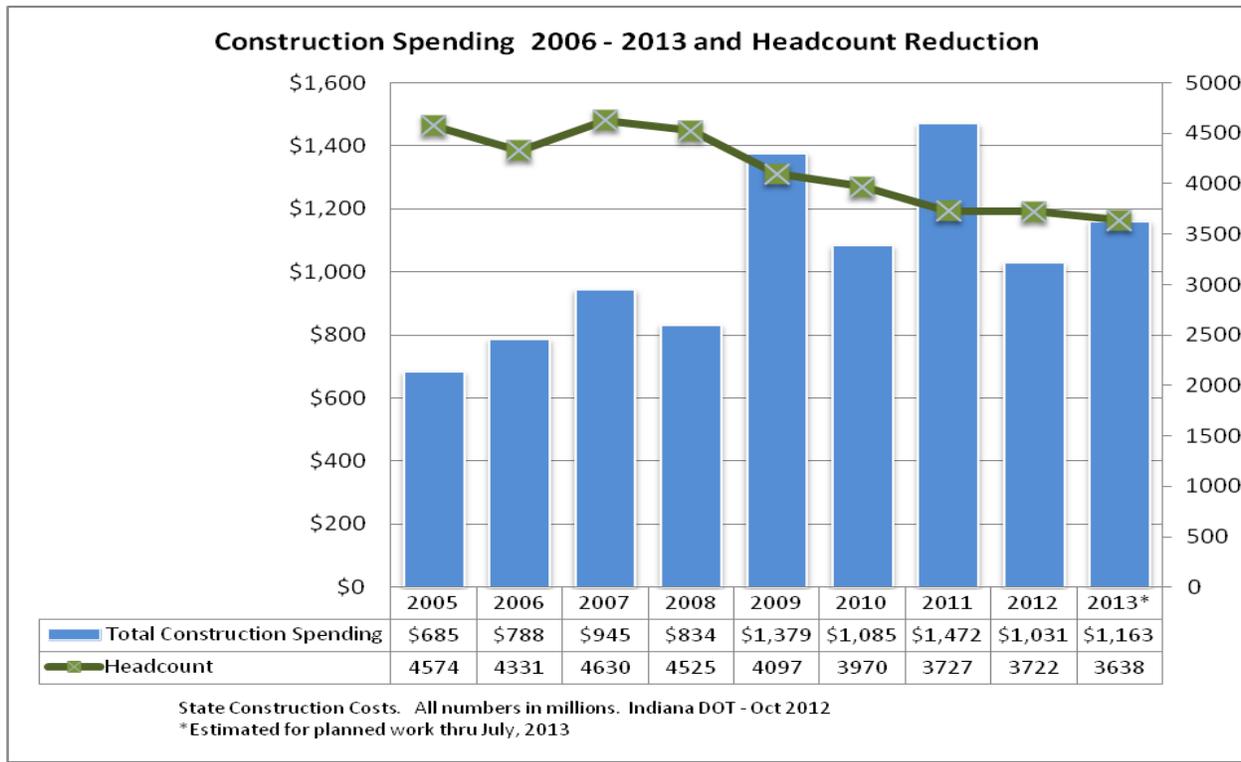
### Major Moves Accomplishments

	Through CY 2012	Through CY 2015
<b>New highway</b>	185 centerline miles	413 centerline miles
<b>Bridges rehabbed or replaced</b>	615 bridges	1,070 bridges (19.5%)
<b>Pavement miles rehabbed or replaced</b>	4,450 centerline miles	6,350 centerline miles (49%)
<b>Corridors complete and open to traffic</b>	54	87
<b>TOTAL INVESTED</b>	\$7.5 billion	More than \$11 billion

### Commitment to Indiana Contractors



## Record Capital Program with the Lowest Employee Headcount in History



## Innovation Leads to National and International Recognition

Date	Organization	Project/Program
2006	American Road & Transportation Builders Association (ARTBA) / Project of the Year	Major Moves
2009	Intelligent Transportation Society of the Midwest / Project of the Year Finalist	INDOT Traffic Management Strategic Development Plan and Bluetooth Probe Data
2010	American Council of Engineering Companies (ACEC) / Engineering Excellence Merit Award	Bridge Rehabilitation of State Road 2 over Cataract Lake
	American Council of Engineering Companies (ACEC) / Honor Award	Accelerate 465 Project
2011	American Council of Engineering Companies (ACEC) / Engineering Excellence Honor Award	Milton-Madison Bridge
	AASHTO / Performance Excellence Award - Gold Award	I-69 Section 4 Kitchen Table Meetings
	Bentley Systems, Inc. / 2011 Be Inspired Bentley Awards	I-69 at State Road 61/56 interchange along the new I-69 corridor
	<i>Roads &amp; Bridges Magazine</i> / No. 3 Project Award	Milton-Madison Bridge
2012	AASHTO / Project of the Week	Sherman Minton Bridge
	Institute of Transportation Engineers (ITE) / Public Agency Achievement Award	New Management Philosophy & Strategy
	Council of State Community Development Agencies (COSCEDA) / Presidential Award for Innovation	Stellar Communities
	AASHTO / Performance Excellence Award	DamageWise
	AASHTO / Performance Excellence Award - Gold Award / 25th Annual Best of What's New	Propane Vehicle Program
	Popular Science Magazine / 25th Annual Best of What's New	Milton-Madison Bridge Project
	Construction Management Association of America (CMAA) / CMAA Award	Sherman Minton Bridge
	CG-LA / Strategic Project of the Year	Ohio River Bridges - East End Crossing
	CG-LA / Job Opportunity Creation Project of the Year	Illiana Corridor

## Ohio River Legacy

Four Indiana bridge projects and a new Interstate demonstrate INDOT's dedication and commitment to Southern Indiana's well-being. These projects encapsulate innovation, competency and drive for excellence, and perhaps mark the most significant and concentrated effort to this region in our state's history.

### MILTON-MADISON BRIDGE — 2010 to present \$104 million



Named third best bridge project in North America by Roads & Bridges Magazine.

Replacement of U.S. 421 Bridge superstructure links Milton, Ky., and Madison, Ind., over Ohio River. Innovative truss sliding approach, in which 600-foot sections are assembled on shore before being floated into place and lifted onto the piers.

Project to be completed three years ahead of schedule in April 2013, while closing U.S. 421 for only 10 days.

### SHERMAN MINTON BRIDGE — 2011 to 2012 \$13.9 million



After INDOT bridge inspectors discovered a crack in the critical load-carrying beams on the bridge between Indiana and Kentucky in the Louisville area in September 2011, Gov. Daniels ordered the immediate closure of the bridge.

Bridge opened 13 days ahead of schedule.

Nearly 2.5 million pounds of new steel plating — along both the upstream and downstream bridge ties that run horizontally along the entire 1,600-foot structure — reinforced the bridge's safety and reliability, extending the service life of the bridge at least 20 years.

Governor Daniels inspects bridge work.

### OHIO RIVER BRIDGES EAST END CROSSING — 2012 \$2.6 billion



Indiana is working with Kentucky across state lines, party lines and bottom lines with the vision of "Two Bridges, One Project. Two States, One Team". The agreement will connect Clark County, Indiana, and Jefferson County, Kentucky, with two new bridges spanning the Ohio River, along with associated approach work.

Indiana is responsible for completing the East End Crossing, which will complete a long-sought interstate loop around Louisville. Kentucky is responsible for building a new I-65 northbound bridge and reconfiguring nearby interchanges in downtown Louisville and Jeffersonville, Ind. Indiana plans to build the estimated \$1.3 billion East End Crossing as a public-private partnership.

August, 2012, groundbreaking for 3,000-foot extension of Old Salem Road  
When the East End Crossing opens to traffic, Old Salem Road will be the first Indiana exit north of the new Ohio River bridge.

Groundbreaking ceremony, August 30, 2012

### BIG FOUR PEDESTRIAN & BICYCLE BRIDGE — 2012



Built for railroad traffic in 1895 and closed in 1969, construction is ongoing to open the bridge over the Ohio River for pedestrians and bicyclists in early 2013.

This project follows the governor's Hoosiers on the Move program, which promotes bike/pedestrian facilities and trails across Indiana.

## New Infrastructure Throughout Indiana

### I-69 Evansville to Crane

Open to Traffic: November 2012

\$700 million



Pigeon Creek, Gibson County

Sections 1-3: This 67-mile extension of I-69 links Evansville to the Naval Support Activity (NSA) Crane across portions of Gibson, Pike, Daviess and Greene counties in southwestern Indiana. When I-69 is completed across the nation, it will provide a direct interstate connection between Canada and Mexico while boosting economic development in southwest Indiana.

### I-69 Crane to Bloomington

Open to Traffic: December 2014

Est. CN Cost: \$400 million

Section 4: New 27-mile stretch of I-69 will reach from the NSA Crane facility to just southwest of Bloomington across Greene and Monroe counties.



### Fort to Port (US 24)

Open to Traffic: November 2012

Construction (CN) Cost : \$93 million



### US 31 Hamilton County

Open to Traffic: December 2015

CN Cost: \$320 million



### Hoosier Heartland

Open to Traffic: December 2013

CN Cost: \$327 million



## The Indiana BMV – 2005 to 2012: From Worst to America’s Best BMV

The Indiana Bureau of Motor Vehicles (BMV) is the state agency responsible for licensing Indiana drivers and registering and titling vehicles owned by Hoosiers. The BMV completes 13,000,000 transactions each year that include registering 6.5 million vehicles in addition to issuing, renewing and keeping records for 5.2 million Indiana drivers. The agency collects and distributes \$900 million in excise, wheel and sur taxes to Indiana counties and communities. BMV operating costs of \$120 million dollars are entirely covered by transaction fees. BMV services are provided through 138 license branches throughout the state, a mail processing center located in Winchester, and a central office in Indianapolis employing in total 1,700 staff.

On January 1, 2005, the Indiana BMV was the poster child for a dysfunctional government agency with abysmal customer service, dilapidated facilities, an antiquated computer system, poor audit and security procedures that led to numerous cases of fraud. Over the last eight years, the Indiana BMV evolved from one of the worst in the country, to “America’s Best”.

### STARS (System Tracking and Record Support)

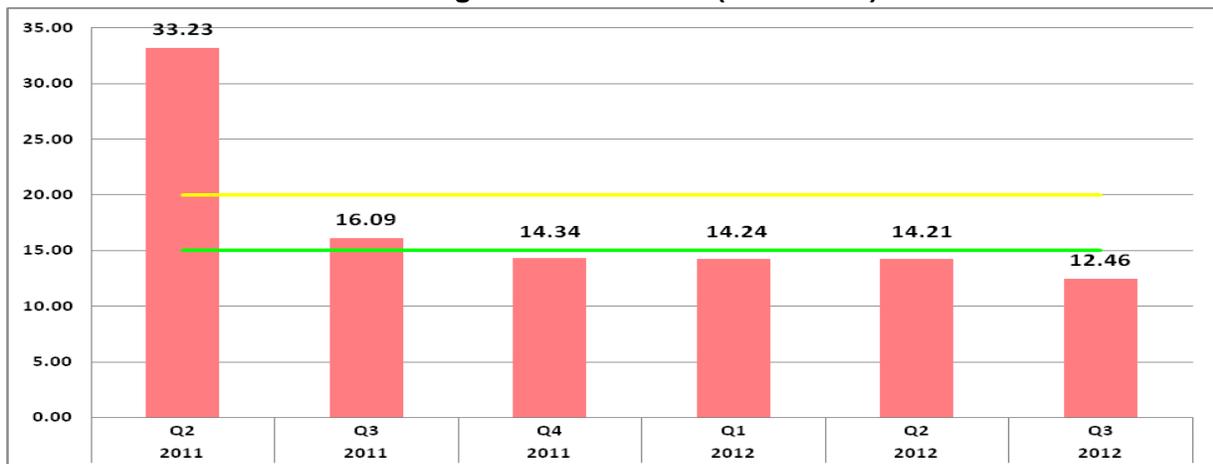
The first foundational improvement for the BMV was the installation of the new STARS computer system. This system merged three separate data bases (driver, registration and title) into one customer-centric data base and added extensive transactional capacity with enhanced security. Without question, the STARS computer system is the keystone for the majority of improvements achieved throughout the agency over the past eight years.

### CUSTOMER SERVICE

Improving the customer experience has been the primary goal for the BMV team. Major initiatives leading to our current 96.3% customer approval rating include:

- **License branches** – Through customer research we learned that branch visit time was the most important factor impacting overall customer satisfaction. The STARS system allowed us to calculate visit/transaction times and those times became a key metric in measuring branch staff performance. Additionally we systematically improved the appearance and operational efficiency of the branches with standard layouts, décor and signage. Performance management supported our efforts to instill a culture of outstanding customer service among all staff.

**Average BMV Visit Time (In Minutes)**



- Customer choices – With the expanded operational capacity of STARS, we were able to explore new ways for our customers to complete BMV transactions without the traditional visit to a license branch. The first phase was to allow customers to renew their registrations by simply mailing their registration forms along with a check to our processing facility. Next, a phone option was developed to allow for this transaction to be completed through our call center with the use of a credit card. But by far the most effective and convenient channel that was established was online. The myBMV.com website was redesigned to be a customer-friendly tool for various transactions and is available to the public 24/7. These efforts have resulted in approximately 80% of all registration renewals being conducted through non-branch channels.
- Central Office operations –Through process improvement like electronic transmissions from the courts and insurance companies, scanned documents for title transactions and centralized registration, customers have benefitted with more timely, accurate and secure services. Titles are now processed, printed and mailed within two days and not the 6-8 weeks that was the normal lead time in the past. Insurance information is now electronically applied to driver records the day that it is received and not weeks later when everything was on paper and manually entered on records.

## **SECURITY**

As the credentials (driver's licenses and ID cards) issued by state governments have evolved into the primary identification document for most Americans, the Indiana BMV has become a national leader in protecting the security of our credentials. Major security initiatives include:

- Enhanced design and security features on the actual driver's license card.
- Online Social Security Verification in which all Social Security numbers are electronically verified against the Social Security Administration database. When the system was activated, we "scrubbed" our existing database and found over 200,000 discrepancies. Most were easily resolved, but ultimately over 19,000 credentials were revoked as possible fraudulent documents.
- Facial recognition technology is now used when processing all driver's license applications. The computer technology compares the applicant's photo against all other photos in our database to find possible fraud.

## **OPERATIONAL AND PROCESS INNOVATIONS and SUCCESSES**

The BMV has implemented a number of innovative programs that have both improved customer service and enhanced operational efficiencies, affording the BMV the ability to pay off an 18-year old \$63 million "note" from the General Fund that was created when the BMV expenses exceeded revenue under previous administrations. Among these improvements include numerous changes to the number and hours of operation of Indiana's license branches. In 2005, Indiana operated 166 license branches –more per capita than any other state in the country and still was delivering unacceptable customer service. Today, 138 branches are in operation and 32 of those branches operate 2-3 days per week and are staffed by the same employees.

Additionally, managing license plate inventory was a significant issue for the BMV from cost, process and security perspectives. With the implementation of new plate production technology, the BMV moved to a just-in-time procurement process for license plates. Under this practice, a license plate is not made until it is ordered.. This make-to-order philosophy has allowed us to manage inventory and eliminate waste while delivering the end product within seven to ten days.

The Indiana Bureau of Motor Vehicles has been recognized by AAMVA (American Association of Motor Vehicle Administrators) three out of the past five years for providing outstanding customer service. The results are validated by the 96.3% customer satisfaction rating that has most recently been achieved. The transformation happened when performance metrics were established and staff was held accountable to those metrics. The BMV has evolved with a new culture of customer service that continues to impact all staff.

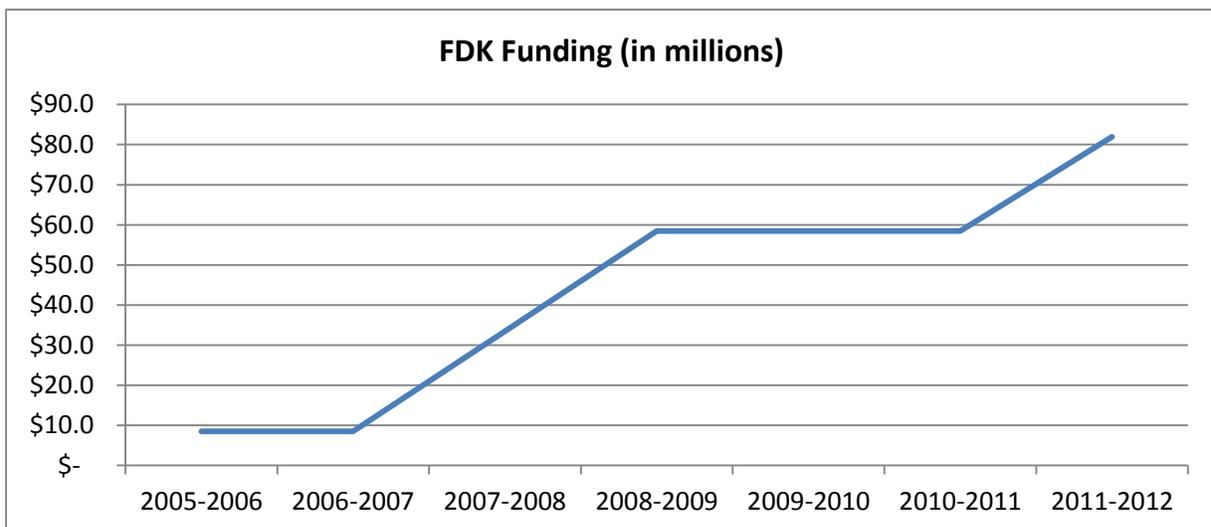
## Education

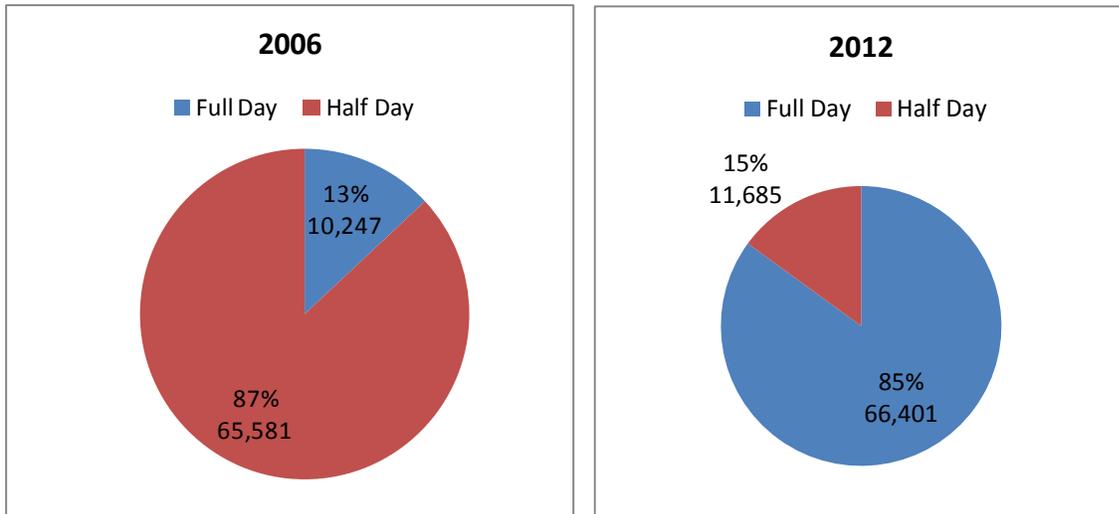
One could easily suggest that nothing is more important than insuring that every Hoosier child has access to and receives the best education he or she can so that Indiana continues to have one of the most highly-skilled, educated and dedicated workforces in the nation. Great strides have been made over the last eight years in reforming Indiana's K-12 education system which have not only made Indiana a leader in education reform efforts but more importantly we are seeing the results of our collective efforts in the growth and progress of our young students. Indiana leads the nation in its dedication to K-12 education with 55.4% of its general fund budget being spent on this most critical area. From 2005-2013, state funding for K-12 has increased nearly 10% (including FDK) and the per pupil increase has been roughly 5.5% over this same period.

<b>1.</b>	<b>Indiana</b>	<b>55.4%</b>
2.	Alabama	54.4%
3.	Kansas	51.4%
4.	Utah	51.1%
5.	Idaho	49.9%
6.	New Mexico	48.4%
7.	West Virginia	46.9%
8.	Wisconsin	46.4%
9.	Kentucky	45.4%
10.	Georgia	45.2%
11.	Mississippi	44.6%
12.	Colorado	44.2%
13.	Arkansas	43.9%
14.	Washington	43.2%
15.	Iowa	42.2%

## Full Day Kindergarten

Since January of 2005, Indiana has emphasized and focused on the need for a top-notch educational system that meets all students learning needs. In 2007, the state began to fund full-day kindergarten and in 2012, through exercising fiscal restraint in all other areas of state government, it was announced that Indiana now can fully fund full day kindergarten for all Hoosier children wishing to participate.





Prioritizing the funding of full day kindergarten has led to a dramatic shift in the number of Indiana students participating in the program. In 2006, 10,247 Hoosier children were in a full-day kindergarten program. Now, in 2012, 66,401 are participating. Study after study has shown that those young students who participate in FDK programs tend to excel in the elementary years compared to those who do not participate in the program.

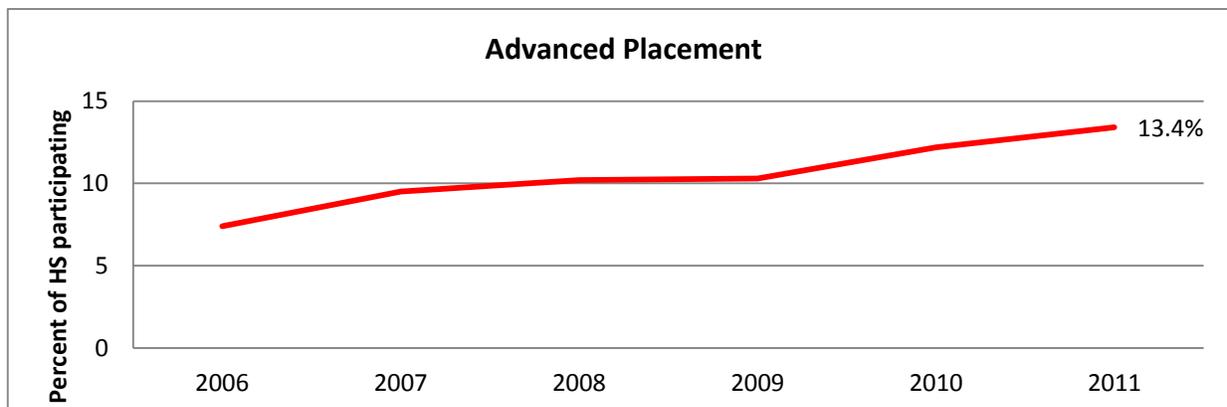
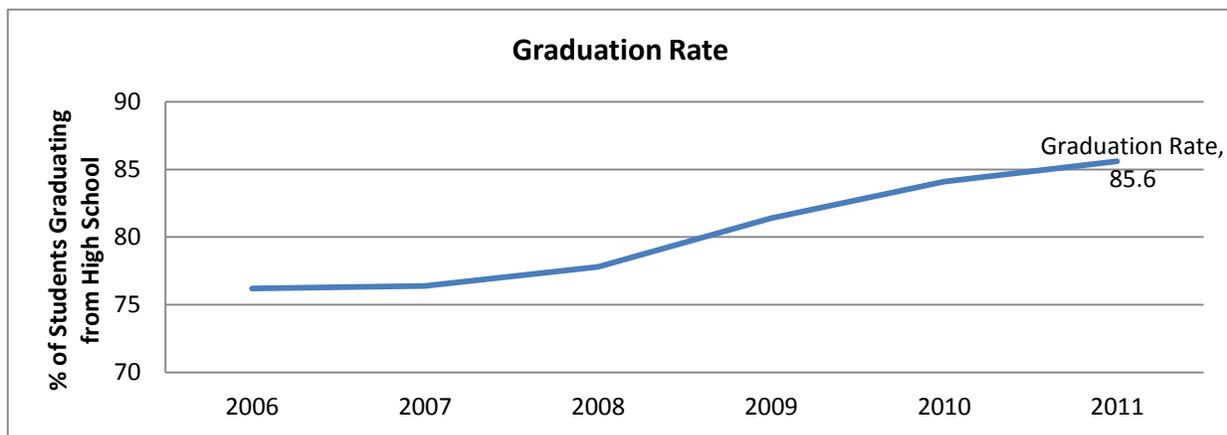
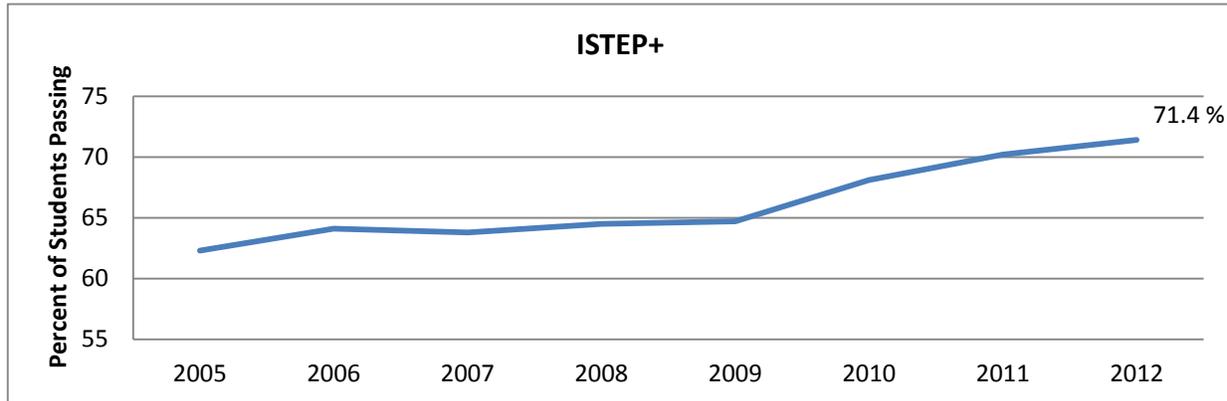
### Choices for All Indiana Students

The comprehensive education reform package spearheaded by you and Superintendent of Public Instruction Tony Bennett and passed by the Indiana General Assembly in 2011 has received national recognition and other states across the country are looking to Indiana for ideas to improve their system. The Economist, August 18, 2012, stated, “The voucher scheme, potentially the biggest in America, was set up a year ago as part of a big package of educational reforms led by Indiana’s governor, Mitch Daniels, and his superintendent of schools. These include teacher evaluations that take student performance into account, giving school heads more autonomy and encouraging the growth of charter schools. Jeanne Allen, president of the Centre for Education Reform, a Washington-based advocacy group, says the reforms are unique because Indiana has looked at education reform in its “totality”, rather than taking a piecemeal approach as many other states have done.”

The 2011 K-12 education reform agenda put student needs first in education. The package included: merit-based compensation and annual evaluations for educators, dramatic expansion of charter schools, and the development of the largest school choice scholarship (voucher) program in the country. In its first year of implementation the choice scholarship program had 3,919 students participate making Indiana’s voucher program the largest in the nation. Now, one year later, the program has seen 138% growth with 9,324 students choosing a school that best meets their educational needs.

## Getting Results

The results of these initiatives and many others not highlighted in this report including, I-Read 3 a program where 3-graders must demonstrate a level of reading proficiency to move onto the 4<sup>th</sup> grade, and STEM programs like the establishment of Indiana Mr. and Miss Science and Mathematics Awards, are exceptional. More Hoosier students are passing the ISTEP+ exam, taking advantage of advance placement courses and graduation rates are on the rise. These are clear indicators that the student first polices put in place in Indiana over the last several years are producing the results and the educational growth in our children we aimed to achieve.



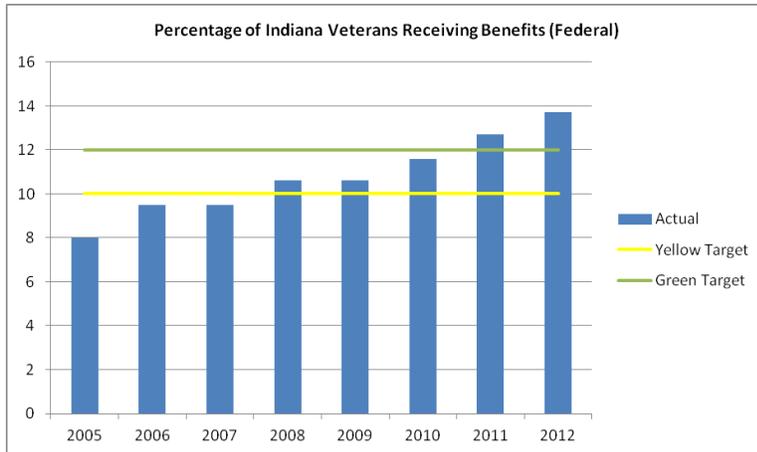
## **Encouraging Graduation and Making College More Affordable**

During the 2011 legislative session a new program aimed at helping students who were ready for college continue their education on a fast track and assist with the increasing costs of higher ed was created. While traveling around the state and talking with students and families, you too often heard a similar story from many of Indiana's high school seniors. They were not engaged in their school work, and taking their senior year easy because they had accomplished what they needed to graduate so they were just having fun until college began the following fall. To encourage students to continue their educational pursuit and move on to obtaining the college degree or professional certification in as timely manner as possible which will allow for earlier entry of qualified and skilled staff into the Indiana workforce, the Mitchell E. Daniels Early Graduation Scholarship was established. The scholarship is available to students who graduate from an Indiana high school 3 years and begin postsecondary classes. Those students then receive a \$4,000 scholarship to assist with the costs of their education (this is less than what the state would have spent on them to spend a 4<sup>th</sup> year in high school). In the first year of the program, 2011, 17 students participated. This year that number grew to 218. As awareness of this program grows and students and families in grades 8 and 9 can plan their high school course calendar it is expected that more and more Hoosier students will take advantage of this unique opportunity to advance their education.

## Agency Key Performance Indicators

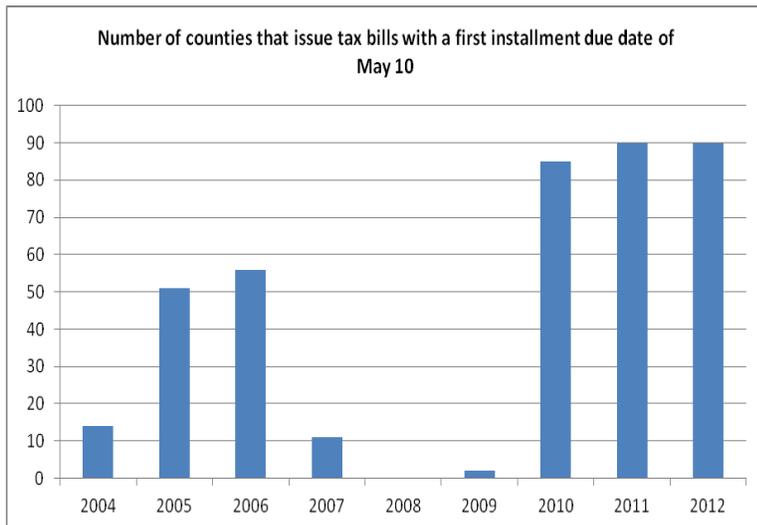
The Office of Management and Budget has worked with the state agencies to develop two levels of measurement. Each agency reports up to three key performance indicators (KPIs) that capture and communicate mission critical success. Outcome-based program measures track the performance of activities that should influence those mission-critical KPIs. Below are examples of performance metrics from agency activities not highlighted earlier in this report. Visit [www.results.in.gov](http://www.results.in.gov) or the transparency portal at [www.in.gov/itp](http://www.in.gov/itp) to see all metrics.

### Department of Veterans Affairs



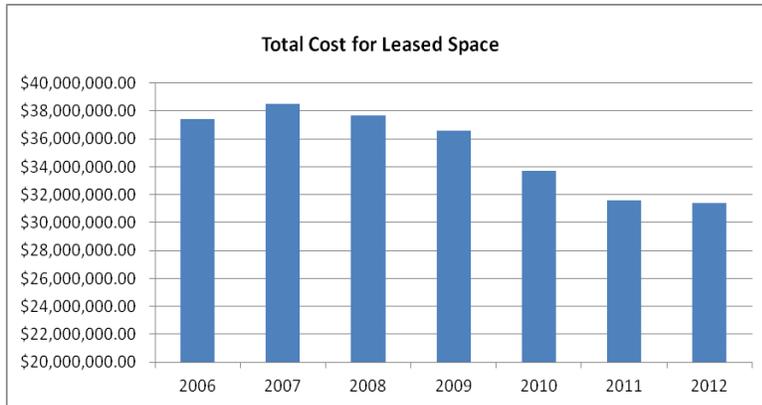
This key performance indicator spells out the entire mission of this organization: to ensure veterans, their dependents and survivors are aware of the benefits to which they are entitled and to facilitate their access.

### Department of Local Government Finance



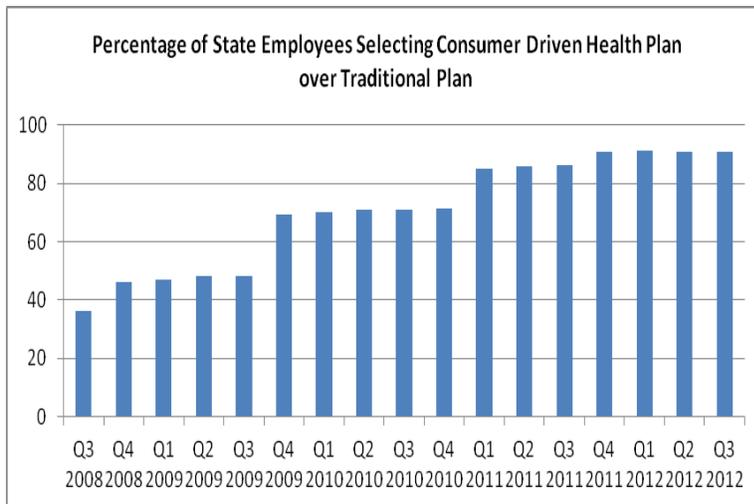
Timeliness is key in the property tax system. \$6 billion in property tax levies are paid annually by taxpayers to local government. On time tax bills ensure taxpayers can plan for payment. It also ensures taxing units receive revenue at the correct time and minimizes cash flow borrowings. Ninety of the 92 counties are billing on time.

## Department of Administration



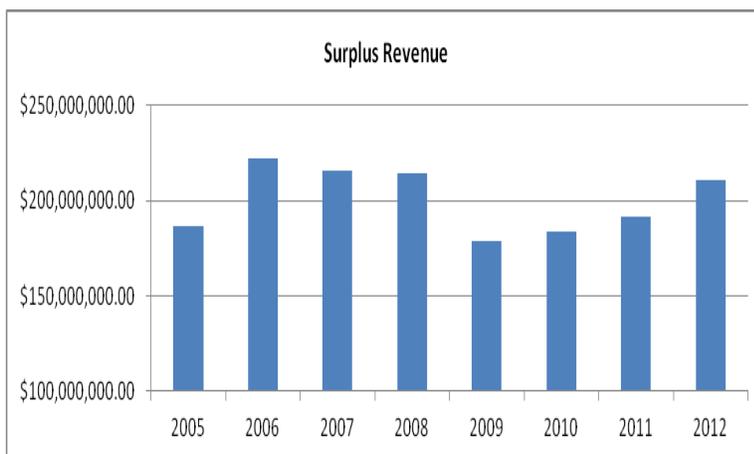
Office space acquisition and management is a core function of the Department of Administration. Annual lease obligations have decreased \$7 million since 2007.

## State Personnel Department



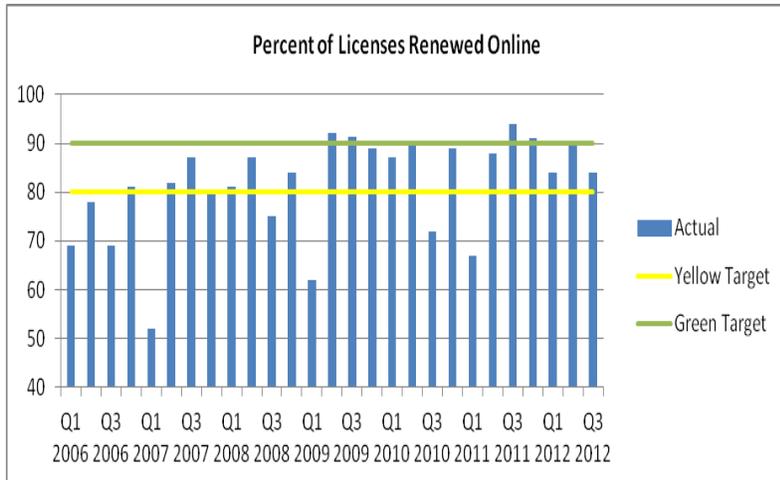
The overwhelming participation of state employees has lowered costs to the state and allows the employee more input in addressing his or her healthcare needs.

## Hoosier Lottery



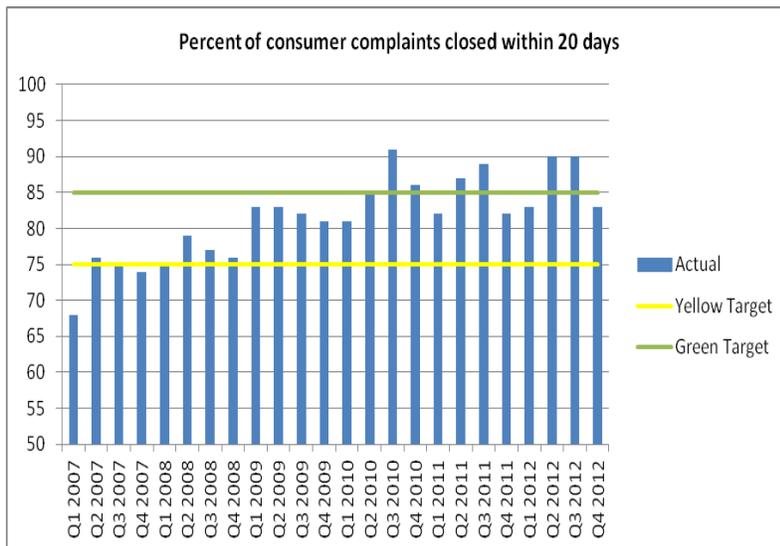
The Lottery's mission is to responsibly maximize revenue to the state. Surplus revenue is used to fund Police, Fire and Teacher pensions and to supplement the Build Indiana Fund.

### Professional Licensing Agency



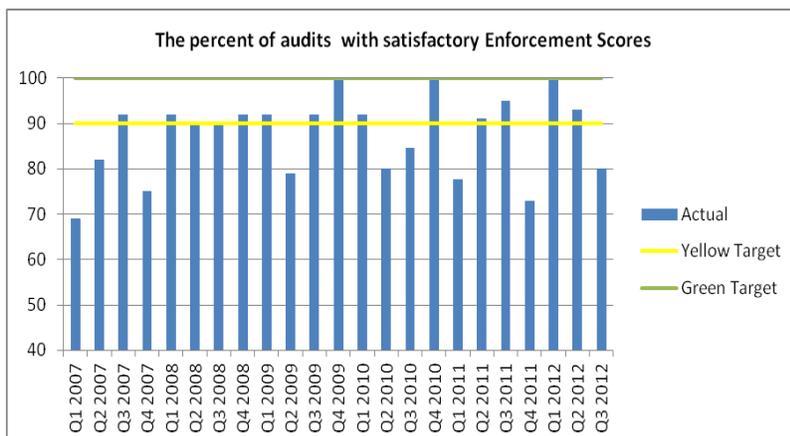
Online renewal provides customer convenience in maintaining occupational credentials. Additionally, it assists PLA staff workload and planning.

### Indiana Utility Regulatory Commission



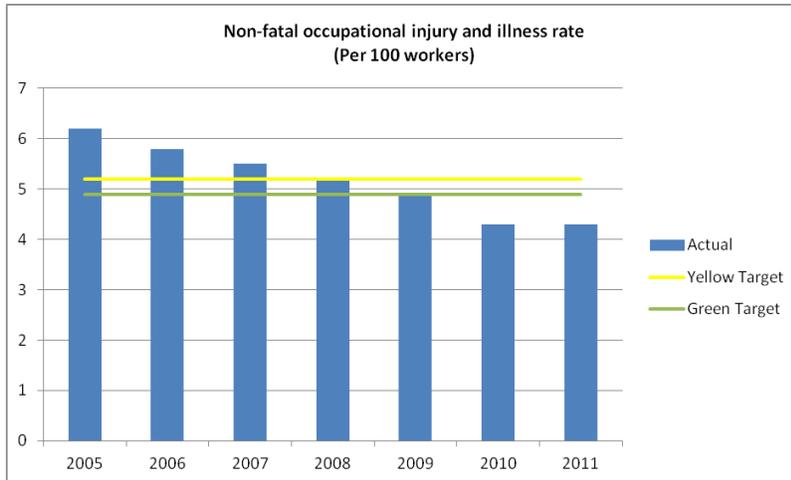
This KPI identifies how quickly the IURC Consumer Affairs Department (CAD) responds to consumer's complaints filed against a utility company. CAD investigates complaints by gathering information from both the consumer and the utility.

### Board of Animal Health



This metric is an indicator of the level of training and compliance within the division. It is a result of audits by federal regulators of dairy inspection performance.

## Department of Labor



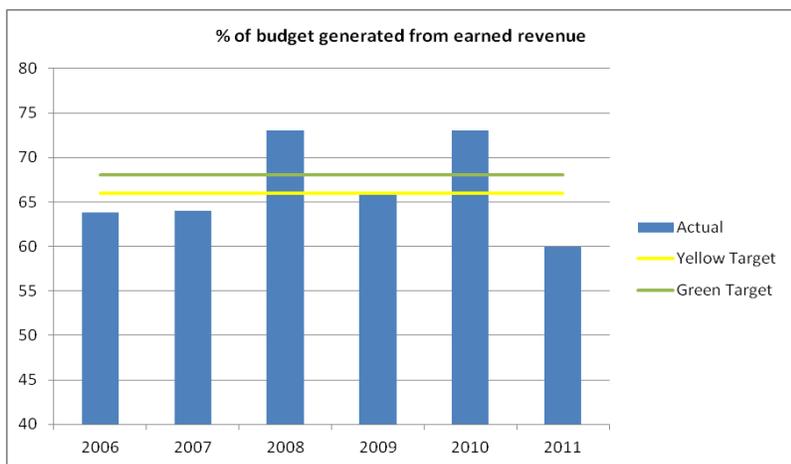
Occupational health and safety is one of the core missions of the agency, and this number reflects overall statewide health and safety outcomes in the public and private sector. The lower the rate of injuries and illnesses, the safer Indiana workplaces are for Hoosier workers.

## Alcohol & Tobacco Commission



Retailer inspection and enforcement deter the availability and sale of tobacco to minors. The demonstrated sustained success should lead to more stringent (lower) targets in the future.

## State Fair Commission



\*In 2011 the State Fair operations were closed for a short time due to the tragedy at the Fair

This metric is an indicator of asset optimization to support ongoing operations.