

Agency Overview

Indiana Department of Workforce Development

The Indiana Department of Workforce Development is charged with administering the state's unemployment insurance program as well as a variety of workforce development and training programs that assist unemployed and underemployed individuals secure sustainable employment. Our workforce training initiatives rely heavily on the actions of the U.S. Congress, the U.S. Department of Labor and the U.S. Department of Education for overarching program administration guidelines and financial support. The unemployment insurance program is governed through a coordinated effort of both federal and state governments while funding for the program is provided through unemployment insurance premiums from Indiana employers.

The department is building and improving the skills of the existing workforce through a network of 36 WorkOne and 54 WorkOne Express offices located in 11 regional workforce service areas throughout the State. DWD supports these offices with staff, technology, infrastructure, software, training opportunities, technical assistance, and workforce development related grants. The State's future workforce is also served through a network of 47 area vocational districts, 60 Career Majors schools and qualified post-secondary institutions.

We understand our obligation to the citizens of Indiana and have taken a rigorous approach to ensure that the services we provide are efficient, effective and provide maximum value to clients and employers we serve. We understand the need to provide a workforce that is conducive to economic growth and are consistently evaluating our programs and methods of service to ensure that we are taking positive steps toward meeting this need.

New and Ongoing Initiatives

The department continues to provide the core workforce investment services supported by the federal Workforce Investment Act (WIA), Wagner-Peyser Act, Carl D. Perkins Act and various other core federal programs. Within these programs we have implemented several new initiatives such as the Young Hoosier Conservation Corps, the Workforce Acceleration Grant program and Adult Basic Education, and have increased the support of successful programs such as Jobs for American Graduates.

- **Young Hoosier Conservation Corps (YHCC):** Indiana has partnered with DNR, INDOT and the Indiana National Guard to incorporate this exciting program into our youth services area and has successfully assisted nearly four thousand youth ages 17-24 in gaining valuable employment skills. The YHCC program is a summer youth employment program that pairs at risk and economically disadvantaged youth with work opportunities that will build character and provide valuable work experience to assist them in their future careers. The success of the program is measured by the work readiness of the clients after they complete the program, the variety of projects that have been completed in the state parks, wildlife areas, highways and military posts as well as the twenty million dollars in federal American Recovery and Reinvestment Act funds that have been paid in wages to the participants.
- **Workforce Acceleration Grants (WAG):** Indiana has utilized more than twenty eight million dollars in American Recovery and Reinvestment Act funds to provide tuition assistance to thousands of Indiana students working toward post secondary education achievement. The Department partnered with the State Student Assistance Commission to bridge the gap of funding availability for economically disadvantaged students. Through our network of WorkOne facilities, we continue to be successful in assisting more than two thousand students statewide in furthering their educational attainment.

- **Adult Basic Education (ABE):** The Department has begun the process of transitioning the ABE program from the Department of Education in an effort to more effectively serve this high need portion of the adult population. We are very excited about the addition of this program to DWD's service offerings. DWD plans to reorient the ABE program to focus on occupationally based curriculum and career counseling. The Department expects ABE to be a high-impact program that will align well with the other workforce training programs that we administer. Our ability to expand the current program with our workforce related federal grants will allow us to serve a larger number of participants and better assist them with utilizing their education to obtain meaningful, self sustaining employment.
- **Jobs for American Graduates (JAG):** Indiana is proud to be involved in this school-to-career program implemented in 700 high schools, alternative schools, community colleges, and middle schools across the country and the United Kingdom. JAG's mission is to keep young people in school until graduation and to provide work-based learning experiences that will lead to career advancement opportunities or enrollment in a post-secondary institution that will lead to a rewarding career. Indiana's success rate with this program has led to an 88% graduation rate for the participants and has been expanded to include 58 in and out-of-school programs where more than 1,850 students receive assistance. Along with the tremendous graduation rate, success in this program can be measured by the 56% of graduates that have continued on to post secondary education, the 100% of seniors that sat for the SAT exam and the 386 community service projects participated in by these students. Additionally, more than 530 employers are engaged in the program which is vital to the transition from education to employment.
- **IndianaCareerConnect.com (ICC):** We continue to be pleased with the expanded reach of Indiana's premier job search website, IndianaCareerConnect.com. This state of the art website is at no charge to both Hoosier workers and employers. Workers are able to research occupations currently in demand as well as the skills needed to succeed in those jobs. Through the site's "spidering" technology, wherein Hoosier job postings are pulled from various online job boards, the Department has increased the number of job postings from a few thousand to tens of thousands. This allows WorkOne staff to refer more unemployed Hoosiers to jobs throughout the state. The department's marketing efforts and new requirements for all UI claimants to register in ICC expanded the use of the site and have made it an attractive recruiting resource for Indiana employers.

Major Projects and Objectives

The programs administered by DWD place it in the center of the Indiana economy. While this position is enviable, at the same time, it can be a major challenge. Not only is the agency responsible for short-term economic support of displaced and under-skilled workers, but it is also responsible for developmental training for the current and future workforce. The challenges associated with providing workforce services have seen a notable increase as a result of the current state of the national economy and the substantial increase in the number of individuals needing our services. The department has risen to these challenges and has worked diligently to develop new ways of providing meaningful services as well as improving our existing services in order to meet the needs of those most affected by the economic downturn.

The continuation and anticipated completion of the Unemployment Insurance Modernization (UIM) project is allowing us to improve the level of service provided to employers and individuals in the unemployment insurance program. Through this new system, we have transitioned claimants from receiving a paper check in the mail each week to sending a debit card that is automatically funded for each week of benefit eligibility. We have also added an online payment feature for employers to view and pay their unemployment fund contributions. We anticipate that as the project approaches completion, we will experience increases in efficiency in both the benefit payment processing to claimants and in communications and convenience for employers.

Additional information regarding the programs managed and administered by DWD is presented in the following pages. The information is organized around the agency's goals and is aimed at providing a snapshot of DWD's successes and future challenges. It is organized in the following manner:

- Description of DWD's programs and functions – Attachment A
- Accomplishments in previous biennium – Attachment B
- Objectives and challenges for the next biennium – Attachment C
- Organizational Chart – Attachment D

Attachment A

Indiana Department of Workforce Development Programs

The Indiana Department of Workforce Development administers many federal programs that assist the current and future workforce. The following is a brief synopsis of each of the federal programs administered by the agency.

- **Unemployment Insurance (UI) Services** is an income maintenance program designed to help individuals bridge the gap between unemployment and returning to work. To receive benefits, a person must be unemployed through no fault of their own, be able, willing, and available to work and actively seeking employment.
- **Workforce Investment Act (WIA)** funds create a state and local comprehensive workforce investment system for all Hoosiers by unifying numerous training, education, and employment programs into a single system. This program has three funding streams designed to serve specific populations: adults, youth and dislocated workers.
- The **Wagner-Peyser Act** program assists job seekers in finding employment, assists employers in filling jobs, clears labor between states, and satisfies the work test requirements for the UI compensation system.
- The **Carl D. Perkins Act** funds the state's vocational and technical education programs through grants to local education agencies, post-secondary institutions, and others to conduct vocational programs. The purpose of the Perkins program is to develop challenging academic standards, promote the development of services and activities that integrate academic, vocational, and technical instruction, disseminate national research and provide professional and technical development that will improve vocational and technical programs.
- The **Trade Adjustment Assistance Act (TAA)** program helps workers, whose employment has been adversely affected by increased imports or shifts to foreign production, return to work as quickly as possible at the highest possible wage. Services include job search, relocation assistance, training and income support while in training. Benefits provided to eligible individuals under the Trade Reform Act of 2002 include:
 - The **Health Coverage Tax Credit (HCTC)** is a federal tax credit that pays 65 percent of the qualified health plans premiums
 - **Alternative TAA (ATAA)** covers workers 50 years and older, for whom retraining may not be suitable, to accept re-employment at a lower wage and receive a wage subsidy.
- The **Local Veterans Employment Representatives (LVERs) and Disabled Veterans Outreach Programs Specialists (DVOPs)** provide labor exchange services to veterans and ensure that veterans receive preference in job referrals.
- The **Small Business and Work Opportunity Tax Credits** are federal tax credits that encourage employers to hire individuals who have consistently had difficulty in securing and retaining employment.
- **Alien Labor Certification** is a small program that provides supportive services to staff that review, coordinate, and advise employers hiring non-U.S. citizens.
- State of Indiana **Workforce Development Funds (WDF)** are utilized by DWD to support programs designed to enhance the skills of Hoosiers. Perhaps the most critical program funded by these dollars involves the Career and Technical Education division. In order to receive the state's full allotment of Carl D. Perkins funds from the federal government, a 50% match is required and WDF funds are used to provide this match. The flexibility of WDF allows DWD to fund programs such as the Jobs for American Graduates (JAG) program, as well as several workforce literacy programs. This biennium, DWD is requesting

additional WDF funds to support the transfer of the Adult Education program from the Department of Education.

- **Workforce Literacy** coordinates state efforts within DWD and its educational and employer partners to strengthen the Indiana economy by facilitating training initiatives designed to enhance the skill level of the Hoosier workforce, while increasing the competitive edge of small businesses. In addition to providing grants to employers, DWD offers technical assistance and training to workforce literacy providers.
- **Indiana Commission for Women (ICW), the Commission on Hispanic / Latino Affairs (CHLA), the Native American Indian Affairs Commission (NAIAC), and the State Workforce Innovation Council (SWIC)** are provided both administrative and fiscal support by DWD. These commissions depend on DWD staff to provide these services to their agency.

Attachment B

Accomplishments for the 2010-2011 Biennium

- The Department will have the Unemployment Insurance Modernization (UIM) project completed and operational in the year 2011. UIM will modernize the computer applications of the Unemployment Insurance (UI) Benefits and Tax Programs providing user-friendly screens, streamlined components of the UI program and more efficient services to our customers. Unemployment Program Link (UPLink) is the designated name of the new UI Benefits and Tax programs computer system. Early phases of UPLink have already been completed. As a result, benefit eligibility determinations are made using a workflow system that increases staff consistency and productivity. Additionally, claimants can file their unemployment claims and monitor their claim status online and employers can maintain their employer account information, file quarterly reports and make payments through the online system.
- The Department successfully launched the Young Hoosier Conservation Corps program that enabled nearly four thousand at risk and economically disadvantaged youth to gain valuable work experience through the American Recovery and Reinvestment Act and provide labor for a variety of projects in state parks, wildlife areas, highways and military posts. In addition to the valuable benefits provided to participants, the state was able to complete much needed rehabilitation projects and other capital projects that otherwise would not have been economically feasible given the current budget constraints. This program has drawn national attention for its innovative approach to serving disadvantaged youth and is being used as a model for youth programs at the federal level.
- The Department has utilized more than twenty eight million dollars in American Recovery and Reinvestment Act funds to provide tuition assistance to thousands of Indiana students working toward post secondary education achievement. The Department partnered with the State Student Assistance Commission to help bridge the gap of funding availability for economically disadvantaged students. Through our network of WorkOne facilities, we continue to be successful in assisting more than two thousand students statewide in furthering their educational attainment.
- The Department has provided more than ten million dollars to Ivy Tech State College and Vincennes University to provide apprenticeship training for Indiana's skilled trades sector. These funds have made it possible for thousands of workers to gain work skills in their trade of choice and has assisted hundreds of apprentices in obtaining their journeyman credential.
- Indiana has launched an aggressive on-the-job training program as a means to encourage employers to hire displaced workers. Through the OJT program, employers can receive a reimbursement of wages up to thirteen thousand dollars per person for the time that is spent training these newly hired employees. The department has set aside more than eight million dollars for this initiative and is working through our statewide network of WorkOne facilities to provide this incentive.
- Indiana has been successful in obtaining federal National Emergency Grants to assist in providing workforce services to Hoosiers that have been adversely affected by situations such as the floods of 2008 and the economic calamities of the RV industry. Indiana received more than five million dollars to support our efforts in these areas. In addition to emergency funding, the agency has successfully applied and been granted funds from the

federal Department of Labor to perform workforce development initiatives in the clean energy sector as well as to develop on-the-job training programs that incentivize Indiana employers to hire and re-train Hoosier workers. Our combined grant awards for these efforts exceed seven million dollars.

Accomplishments by Major Funding Categories

- **Unemployment Insurance (UI) Services** – The large increase in the number of individuals applying for unemployment insurance compensation created a notable strain on our processing capacity. Initial claims for unemployment benefits increased by more than 200,000 claims in 2008 and 280,000 claims in 2009 from 2007 levels. In order to maintain acceptable timeliness standards, the department took measures such as opening a new benefit processing office in the hard hit area of northeast Indiana as well as increasing adjudication staff and adjusting our overall UI processes. These actions, along with the prior implementation of portions of the ULink benefit processing system, enabled the department to maintain a processing timeliness standard that was above or near the federal standard for first payment timeliness throughout the surge into 2010.
- **Workforce Investment Act (WIA)** – The guiding principles of the WIA program have always served as the foundation for Indiana’s workforce development system. These principles include universal access, customer choice, and integrated services delivery. Customers may access our services through 27 WorkOne centers located across the state. The WorkOne centers include access to all partner services and an information resource center. For state fiscal year ‘09, the WIA program achieved an adult employment retention rate of 82.5 percent, adult average earnings of \$11,274, a dislocated worker employment retention rate of 90.9 percent, dislocated worker average earnings of \$14,898, youth placement in employment or education of 68.8 percent, youth attainment of degree or certificate of 57.5 percent, and youth literacy and numeracy gains of 22 percent.
- **Trade Adjustment Assistance (TAA)** – The Trade Adjustment Assistance program in Indiana has received \$23.1 million in funds for training, job search, and relocation. Indiana workers were able to draw basic income support while searching for work with the assistance of counselors from WorkOne offices. The Alternative Trade Adjustment Assistance program, or Alternative Trade for Older Workers, has seen a marked increase in participation over the past few years and currently has more than twenty thousand individuals enrolled in the program with more than nine thousand of those receiving training services and supportive services such as mileage reimbursements, text books, childcare subsidies and income support.
- **Wagner-Peyser Labor Exchange Services** – During state fiscal year ‘10, the Wagner-Peyser system served 441,531 citizens, helped 122,774 citizens to be placed in jobs and worked with 3,345 employers who posted 84,841 job orders.
- **Bureau of Labor Statistics (BLS)** – Indiana’s BLS team provides key labor market information that assists both government and business in making informed policy decisions. Products such as Hoosier by the Numbers allows the public to gain access to a variety of state, regional and county information such as population demographics, workforce data, major industries, economic indicators and other useful information. The BLS team also is successful in processing data to arrive at information regarding unemployment rates, job growth and industry expansion. The information that BLS provides is extremely beneficial especially in these difficult economic times as we analyze progress toward recovery.

Attachment C

Agency Objectives for the 2012 – 2013 Biennium

- **Complete major information technology systems**
 - Roll out the Unemployment Information Modernization (UIM) project, the nation's first comprehensive unemployment insurance system.
 - Design, develop, and implement a new case management system to improve performance in WorkOne offices.
 - Assess the existing adult education information system against requirements and integrate into DWD systems or make enhancements, as appropriate.
 - Assess call center technology against requirements and improve existing system or procure a new software platform, as appropriate.

- **Strengthen data collection and analysis to improve public policy decisions and drive performance**
 - Assess research products against stakeholders' needs and develop new products to support critical needs; establish robust distribution channels for research products.
 - Design, develop, and implement metrics-based reporting to drive operations.
 - Establish program and administrative metrics for consistent use across DWD and partner operations; align discretionary funding decisions with performance outcomes.

- **Improve programs, expand coverage and reduce time required for a client to secure employment**
 - Exceed federal standards for Unemployment Insurance benefit processes
 - Assess and revise the governance structure of the WorkOne system
 - Accelerate re-employment through increased utilization of WPRS, REA and the Trade Act programs

- **Successfully integrate the Adult Education program into workforce development operations**
 - Reorient the Adult Education curriculum to focus on occupationally-based remediation
 - Establish a robust program of career counseling for Adult Education participants
 - Deploy incremental resources based on performance results

- **Contribute to long-term economic development through coordinated actions among workforce development and educational agencies and partners**
 - Increase the efficacy of educational programs through coordinated action with the Commission for Higher Education, the Department of Education, Ivy Tech Community College, the State Student Assistance Commission of Indiana, and the Commission on Proprietary Education.
 - Increase adult post-secondary completions, with particular emphasis on certifications and associate degrees.

Challenges for the 2012 – 2013 Biennium

- DWD will continue to provide on-going technical assistance and training opportunities with all partner staff, including the local RWBs, and service providers, in an effort to meet all federal performance standards for WIA services. Meeting these standards would help to qualify Indiana for federal incentive funds that can be used to fund innovative projects and improve service delivery.
- The anticipated roll out of the Unemployment Insurance Modernization (UIM) project will pose many challenges as the Department adapts to new information technology systems and business processes. DWD is prepared for the transition and will make training a priority to ensure that there is a smooth transfer to the new system.
- Indiana's Unemployment Insurance Trust Fund remains insolvent and has received federal advances of more than \$1.7 billion to date. Legislative action is necessary in order to correct this continuing shortfall. Indiana employers will experience a \$21 per employee federal tax penalty in calendar year 2011 as a result of the State's outstanding advance and will continue to experience increasing federal penalties until the solvency issue is resolved. Another challenge for the legislature in this regard will be the need to develop a funding mechanism for the upcoming interest fees on the outstanding advance. Interest payments on this advance could exceed eighty million dollars in calendar year 2011, all of which must be paid with state revenues other than traditional unemployment insurance premiums. The Department will work closely with stakeholders on this issue in order to assist in a legislative solution. Once legislation is implemented, the agency will be required to alter processes and procedures to comply with the new legislation.