INDIANA
WORKFORCE
DEVELOPMENT
AND ITS **WorkOne** CENTERS

Department of Workforce Development Agency Overview

DECEMBER 5, 2012

DWD Agency Overview

- The Department of Workforce Development has two related functions:

  - To provide workforce skills training and education services to Hoosier workers and employers; and
  - To administer the Unemployment Insurance (UI) Program.

- DWD programs and operations are funded primarily through federal appropriations.

- DWD's current annual state funding is limited to $13 million, 97% of which is for Adult Basic Education.

- UI benefits are funded through UI premiums.

Budget Summary

$ in Millions

UI Benefits and Trust Fund Interest Payment	FY 2012	FY 2013	FY 2014	FY 2015	Change from Prior Biennium
State UI Benefits	$707	$572	$556	$565	-$158
Federal UI Benefits*	1,481	735	26	26	-2,164
Interest Payment	60	61	62	51	-8
Total UI Benefits and Interest	2,248	1,368	644	642	-2,330

DWD Programs	FY 2012	FY 2013	FY 2014	FY 2015	Change from Prior Biennium
Federal Funds	$173	$203	$185	$173	-$18
Dedicated Funds	13	14	14	14	1
General Funds	13	13	16	16	6
Total Programs	199	230	215	203	-11
Grand Total	$2,447	$1,598	$859	$845	-$2,341

*Assumes federal extended UI benefits expire on 1/3/13 and Congress does not reauthorize

DWD Programs Overview

$ in Millions

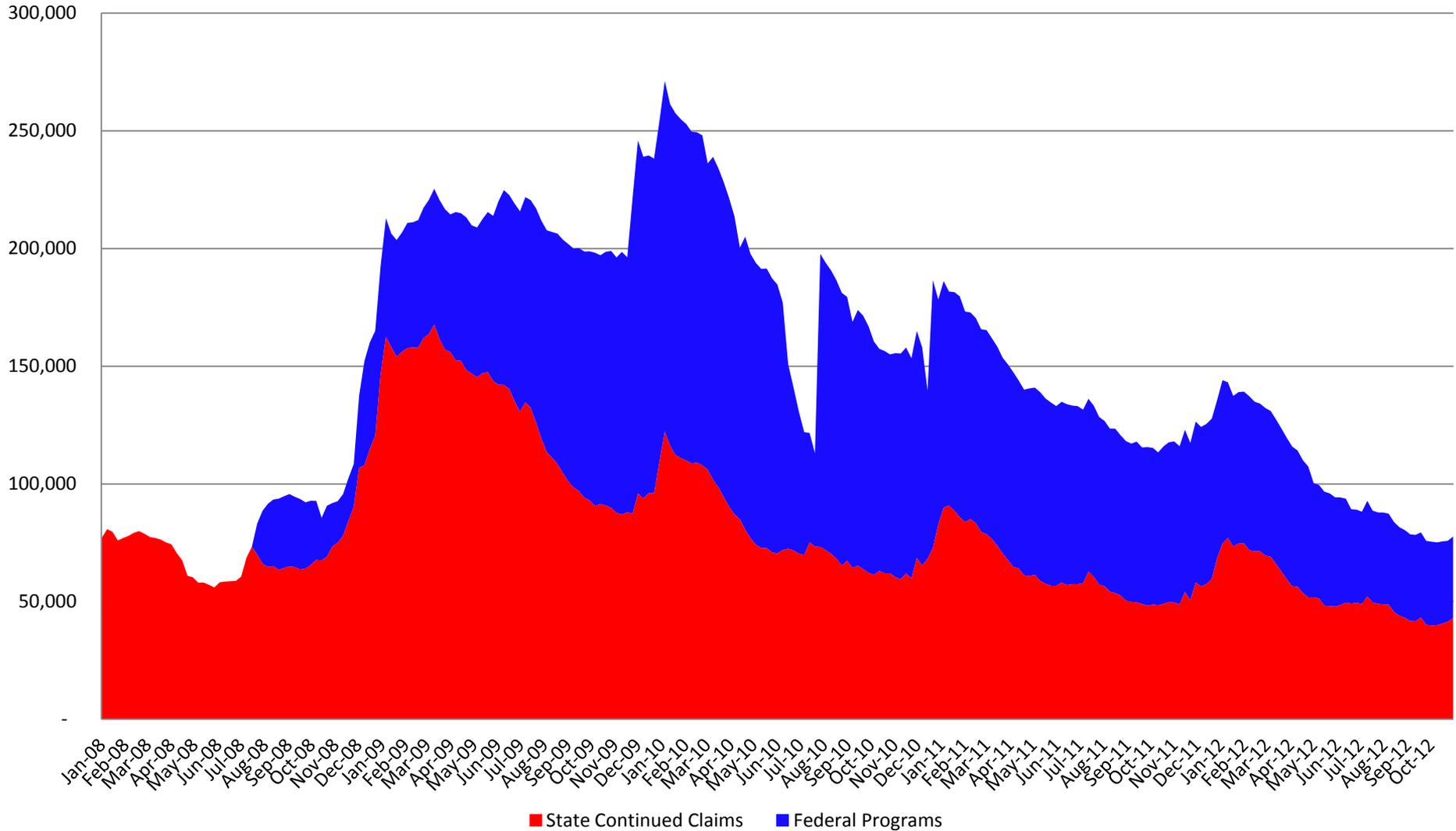| Program	FY 2013 Budget
Workforce Training Programs	$96.9
Unemployment Insurance	$65.9
Adult Basic Education	$22.7
All Other	$44.9
Total	**$230.4**

Workforce Training Programs

- FY 2013 Budget: $96.9M (Federally Funded)

- Workforce Investment Act (WIA)
  - Customer focused system assisting with:
    - Needs of businesses (i.e. On-the-job-training);
    - Training, education and employment needs of individuals.

- Wagner-Peyser
  - Services provided to job seekers and employers:
    - Employment and reemployment services;
    - Career guidance and skills assessments;
    - Assistance with recruitment needs.

- Trade Adjustment Assistance
  - Training services for individuals unemployed as a result of foreign competition.

Unemployment Insurance Administration

- FY 2013 Budget: $65.9M (Federally Funded)

- The Unemployment Insurance program provides:
  - Support for the administration of the unemployment insurance benefits program, including:
    - Claims adjudication
    - Appeals (claimant and employer)
    - Customer service to employers and claimants
    - Fraud investigation

Unemployment Claims Paid
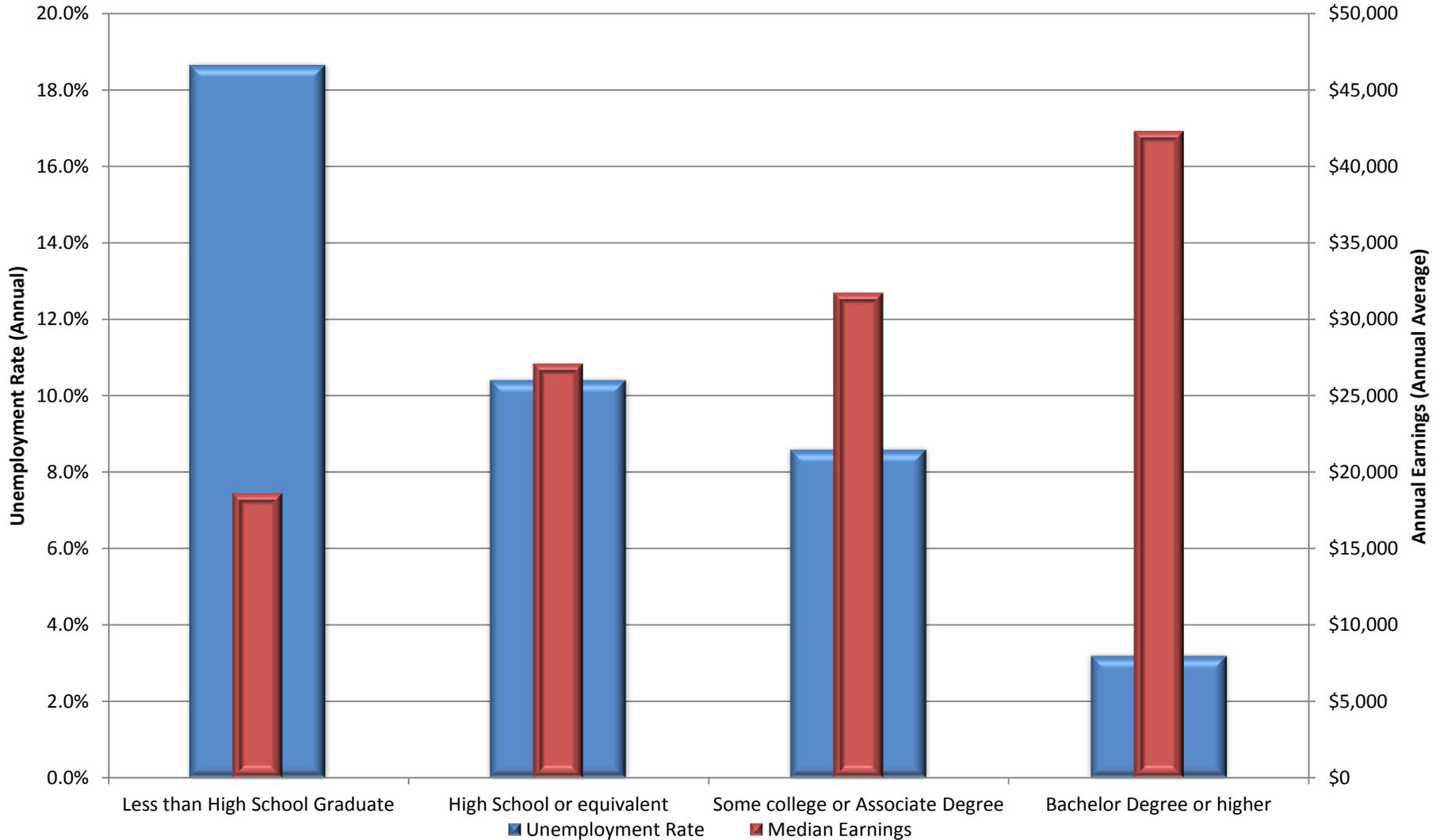
UI Trust Fund Balance Update:
Ahead of Projections

($ millions)	Premiums	Benefits	FUTA Penalty	TF Balance	Interest Surcharge	Employer Totals
2011 Actual	$702.6	$776.5	$55.0	($1,950.0)	$77.8	$835.4
2011 Forecast*	$723.5	$883.8	$58.8	($2,057.0)	$81.4	$863.7
$ Difference	($20.9)	($107.3)	($3.8)	$107.3	($3.60)	($28.3)
% Difference	-3%	-12%	-6%	-5%	-4%	-3%
2012 Actual (YTD-10/31/12)	$674.3	$578.2	$103.8	($1,736.7)	$53.7	$831.7
2012 Forecast* (YTD-10/31/12)	$664.1	$678.6	$117.6	($1,953.9)	$68.1	$849.8
$ Difference	$10.2	($100.4)	($13.8)	$217.2	($14.4)	($18.1)
% Difference	2%	-15%	-12%	-11%	-21%	-2%

Using forecast from January 2011

Adult Basic Education

- The Adult Basic Education program provides skills remediation towards earning a high school diploma or GED.

- The average participant in ABE enters the program with a 7th grade proficiency.

- The average cost to remediate an individual toward attainment of a GED was $2,700 in FY12.

- In FY12, DWD inherited the ABE program from IN-DOE.

Unemployment Rate and Annual Earnings by Educational Attainment
Indiana - 2011

| Hoosiers | 400,000 | 1.1 million | 1.0 million | 800,000 |

Adult Basic Education

- FY 2013 Budget: $22.7M

- During the twelve months ended June 30, 2012:
  - 27,608 participants enrolled
  - 26,780 grade level gains
  - 5,681 high school diplomas/GEDs earned

- Requesting state funding levels be restored to historic appropriation
  - An increased state appropriation provides services for approximately 45,000 participants.

	FY 2011 / FY 2012	FY 2013	FY 2014 / 2015
State ABE	$14.0	$12.6	$14.0
Federal ABE	$9.3	$10.1	$10.1
	$23.3	$22.7	$24.1