

Indiana Department of Workforce Development

Agency Overview, FY 2016-17

Biennial Budget

The Indiana Department of Workforce Development is charged with overseeing and coordinating a variety of workforce development programs that assist unemployed and under-employed Hoosiers 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 department also administers the state's unemployment insurance (UI) program which is governed through a coordinated effort of both federal and state governments. Funding for the UI program is provided through state and federal unemployment insurance taxes from Indiana employers.

The Department is building and improving the skills of the existing workforce through a network of 28 WorkOne and 60 WorkOne Express offices located in 12 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 46 area vocational districts and qualified post-secondary institutions for career and technical education.

We understand our obligation to the citizens of Indiana and take a rigorous approach to ensuring the services we provide are relevant for the state's workforce needs, 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continues to provide the workforce investment services supported by the federal Workforce Investment Act (WIA) (superseded by the Workforce Innovation and Opportunity Act (WIOA) as of July 1, 2015), Wagner-Peyser Act, Carl D. Perkins Act, Adult Education and various other core federal and state programs. Within these programs we have implemented several new initiatives such as the Work INdiana Program and Hoosier Initiative for Re-Entry (HIRE) program, and have increased the support of successful programs such as Jobs for America's Graduates (JAG) and Adult Basic Education. In addition, a top priority of the agency is to develop a Demand Driven Workforce System that identifies current and future employment needs of Indiana businesses. Once those needs are identified, the information can be used to align educational curriculums better enabling our workforce to acquire the targeted skill-sets necessary to meet those employer needs on an ongoing basis.

- **Demand Driven Workforce System:** DWD seeks to develop and deploy a statewide framework to collect current and future hiring needs of all Indiana companies. Once those needs are identified, common job classifications will be assigned which identify associated skills required for each job. This information can then be used to assist educational institutions in creating curriculum that prepare Hoosiers for employment positions that, not only are available today, but also three, five, and ten years in the future.

- **WorkINdiana (WorkIN):** Since the addition of Adult Basic Education to DWD's program offerings, the Department has implemented the WorkIN program for adult basic education students. This program provides access to short-term training opportunities that lead to industry-recognized credentials in high-wage, high-demand occupations. The premise behind this program is the principle that secondary credential alone are not sufficient in most cases to provide meaningful career opportunities for ABE clients and that an industry recognized credential, in tandem with a post secondary credential will allow for a faster transition into meaningful, self sustaining employment. The WorkIN program requires local partnerships among adult education centers, career and technical education centers, WorkOne offices, community colleges, and local economic development representatives. Together these partners determine the careers most relevant to their local areas and work to implement the requisite training programs. As of June 30, 2014, there were more than 300 career certification programs located in 69 cities across the state with additional programs being added throughout the year.
- **Hoosier Initiative for Re-Entry (HIRE):** In FY 2012, the Department began working with the Indiana Department of Corrections on a new program dedicated to bringing ex-offenders back into the workforce. This program is unique in that participants in the program are identified while still incarcerated and their training program begins prior to their release from prison. Through this program, HIRE staff forges relationships with Indiana employers and work to match participants that have completed the training curriculum with open positions the employers have committed to fill with ex-offenders. Since April 2012, the Department has placed nearly 2,500 ex-offenders in employment and is realizing a job retention rate of more than 80%. The return on investment to the state currently exceeds \$10 million as these offenders become wage earning citizens, are less likely to re-offend, and are contributing members of society.
- **Jobs for America's 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 United States and the United Kingdom. JAG's mission is to keep at-risk 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. As a result of the success of the program and the State's desire to increase efforts aimed at dropout prevention, the general assembly appropriated \$12,000,000 of State general funds to enhance the JAG program. Indiana's success rate with this program has led to a 90% graduation rate for JAG students and has been expanded to include 118 in and out-of-school programs where more than 5,000 at-risk youth receive assistance each year. Along with the tremendous graduation rate, success in this program can be measured by the 44% of graduates that have continued on to post secondary education, the 100% of seniors that sat for a post secondary entrance exam and the 66,000 community service hours worked by these students. Additionally, more than 1,500 employers are engaged in the program which is vital to the participant's transition from education to employment.
- **Adult Basic Education (ABE):** DWD has reoriented the ABE program to focus on occupationally based curriculum in tandem with the secondary education curriculum and incorporates career counseling and job matching services as part of the overall program for clients that enter adult education through the WorkOne system. The Department finds ABE to be a high-impact program that aligns well with the other workforce training programs we administer.

Budget Request

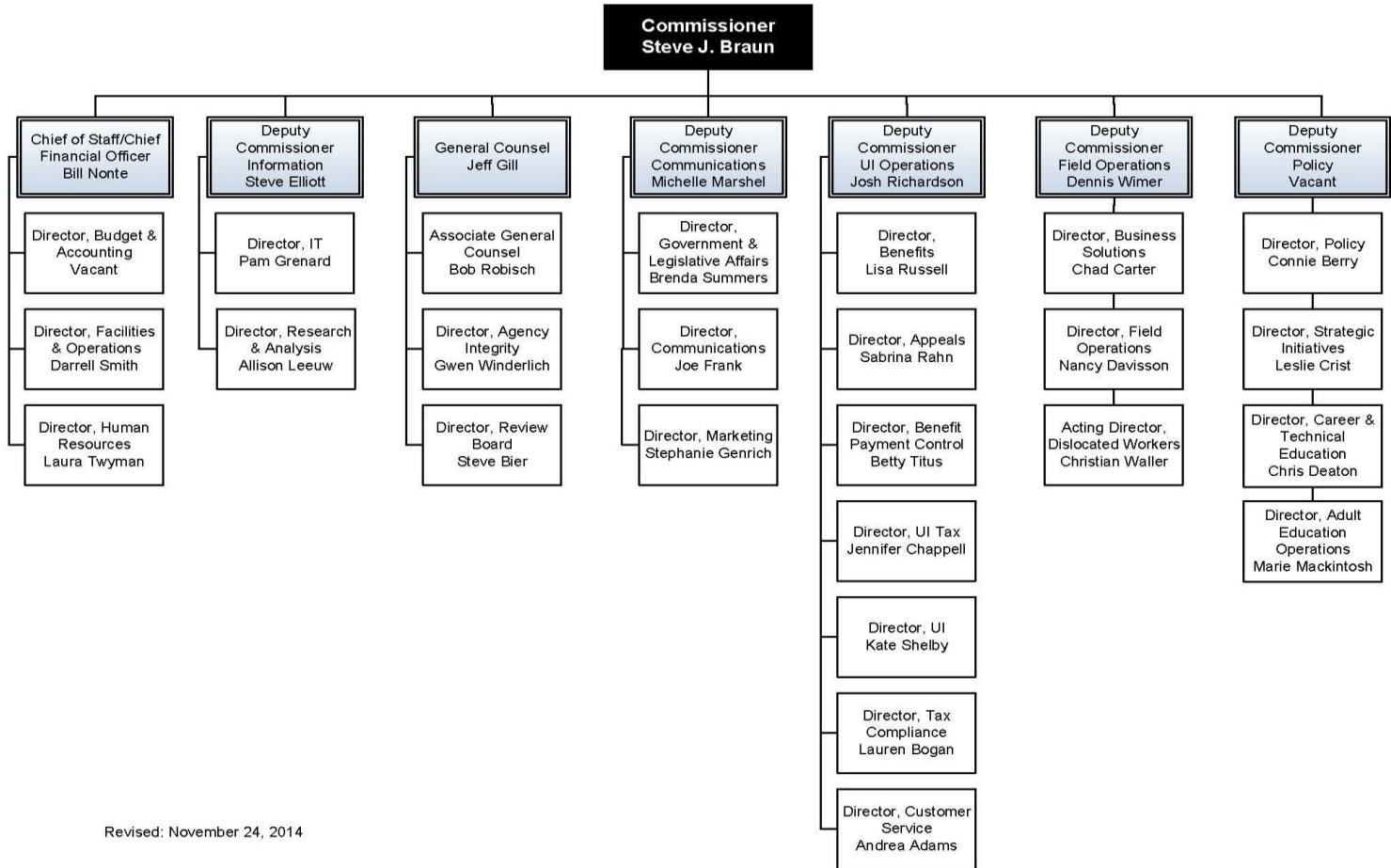
Federal funding for several of DWD's major programs are determined in part by the relative health of the state's economy and the level of unemployment in the state. As Indiana's economy continues to improve and unemployment claim levels decline, DWD anticipates a continued decrease in the unemployment insurance administration program and faces uncertainty in funding levels from the Workforce Innovation and Opportunity Act (WIOA) and the Wagner-Peyser act. This uncertainty is particularly relevant as these programs support DWD's network of 28 WorkOne and 60 WorkOne Express offices as well as the administrative activities of the agency. DWD has thus far been successful in navigating these funding reductions without a noticeable impact on services and will continue working to ensure acceptable levels of service and training opportunities are available to Hoosiers. The department's budget request is reflective of these funding uncertainties. Also, over the past few years, DWD has taken responsibility for various programs previously administered by other state agencies and has assumed these responsibilities with a limited amount of additional administrative funding. With this in mind, DWD's budget request includes a change package that will allow the agency to fund our systems initiative as we do not anticipate federal dollars to be available for this program.

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:

- Organizational Chart – Exhibit 1
- Description of DWD's programs and functions – Attachment A
- Accomplishments in previous biennium – Attachment B
- Objectives and challenges for the next biennium – Attachment C
- Requested Change Package – Attachment D-4

Exhibit 1

INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT



Revised: November 24, 2014

Attachment A

Indiana Department of Workforce Development Programs

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

- **Workforce Investment Act (WIA) ; Workforce Innovation & Opportunity Act (WIOA)** 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.
- **Adult Basic Education (ABE)** is a state and federally funded program that provides an opportunity for individuals that have not obtained a high school diploma through traditional methods to obtain a diploma or high school equivalent (HSE) credential. This program focuses on occupationally based curriculum in tandem with the secondary education curriculum and incorporates career counseling and job matching services as part of the overall program for clients that enter adult education through the WorkOne system.
- The **WorkINdiana (WIN)** program is for adult education students and provides access to short-term training opportunities that lead to industry-recognized credentials in high-wage, high-demand occupations. The WorkIN program requires local partnerships among adult education centers, career and technical education centers, WorkOne offices, community colleges, and local economic development representatives. Together these partners determine the careers most relevant to their local areas and work to implement the requisite training programs. As of June 30, 2014, there were more than 300 career certification programs located in 69 cities across the state with additional programs being added throughout the year.
- The **Jobs for America's Graduates (JAG)** program is a non-profit youth development program dedicated to help low income at-risk youth graduate from high school and make successful transitions to postsecondary education/training and/or meaningful employment.
- The **Reemployment Eligibility Assessments (REA)** program provides funds for states to better link the unemployed with the overall workforce system by bringing individuals receiving unemployment insurance benefits into the WorkOne offices for personalized assessments and referrals to reemployment services.
- **Jobs for Hoosiers** is a program that works in tandem with REA and requires that individuals receiving unemployment benefits report to a local WorkOne office after applying for their fourth week of benefits. This program works to ensure that unemployed Hoosiers are introduced to the services and training opportunities available through WorkOne and to assist them in returning to work sooner.
- 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 **Wagner-Peyser Act** program assists job seekers in finding employment, assists employers in filling jobs, and satisfies the work test requirements for the unemployment insurance compensation system.

- 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, and training and income support while in training. Benefits provided to eligible individuals under the Trade Act also includes **Alternative TAA (ATAA)** which 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.
- **Serve Indiana** administers the state's **AmeriCorps, HoosierCorps** and **Indiana Kids** programs and is the mechanism to promote and coordinate volunteer activities throughout the state. Serve Indiana receives federal funds from the Center for National and Community Service (CNCS) and the State provides a dollar for dollar match to these funds. In addition, Serve Indiana partners with the Indiana Housing and Community Development Authority to facilitate the volunteer requirement of the Hardest Hit Fund, the states mortgage assistance program, and with the Family and Social Services Agency to administer the Indiana Kids program, an after school tutoring and mentoring program.
- State of Indiana **Employment and Training Administration** funds are utilized by DWD to support the Hoosier Initiative for Re-Entry (Hire) program designed to work directly with businesses by placing ex-offenders into permanent jobs in Indiana. The flexibility of these funds allows DWD to fund programs such as HIRE.
- **Unemployment Insurance (UI)** 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 and be able, available, and actively seeking full-time employment.

Attachment B

Accomplishments of the FY2014-2015 Biennium

- Through legislative action, the Department launched the Jobs for Hoosiers program in October 2013 that requires individuals receiving unemployment benefits report to a local WorkOne office after applying for their fourth week of benefits. The intent of the program is to ensure that unemployed Hoosiers are introduced to the services and training opportunities available through WorkOne and to assist them in returning to work sooner. In addition to assisting Hoosiers return to work, this program is instrumental in our efforts to discourage UI fraud and ensure the integrity of the UI program.
- The Department was successful in implementing significantly enhanced functionality to the Uplink computer system utilized to administer the unemployment insurance program. These enhancements have modernized the computer applications of the Unemployment Insurance (UI) Benefits, Tax and Appeals Programs providing user-friendly screens, streamlined components and more efficient services to our customers. 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.
- Over the past two years, the Department has provided more than \$10 million to Ivy Tech Community College and Vincennes University to provide apprenticeship training for Indiana's skilled trades sector. These funds have made it possible for hundreds of workers to gain skills in their trade, associate degrees to accompany their skills, and have assisted hundreds of workers in obtaining or upgrading their journeyman credential.
- With the infusion of state funding provided by the legislature, the department has been successful in dramatically increasing the dropout prevention services provided through the Jobs for America's Graduates program. JAG programs are now operating in more than 100 Indiana High Schools across the state and are assisting more than 5,000 at-risk students in completing their high school diploma and transition into post-secondary institutions and employment.
- Increases in state funding for the WorkINdiana program has allowed the Department to provide greater access to short-term training opportunities that lead to industry-recognized credentials for Hoosiers working to obtain their high school equivalency credential. WorkIN allows students to not only complete their secondary education but also provides an occupational certification that will equip them with the skills they need to begin a successful career in an in-demand occupation.

Attachment C

Agency Objectives for the FY2016-2017 Biennium

- **Continue enhancements to major information technology systems.**
 - Implement additional phases of enhancements to Uplink, Indiana's Unemployment Information Modernization (UIM) project. These enhancements are designed to improve business processes and efficiency and will be particularly focused on efforts to prevent and detect unemployment insurance fraud.
 - Develop a Demand Driven Workforce System. This system will identify current and future employment needs of Indiana businesses. Once those needs are identified, the information can be used to align educational curriculums better enabling our workforce to acquire the targeted skill-sets necessary to meet those employer needs on an ongoing basis.
- **Improve programs, expand coverage and reduce time required for a client to secure employment**
 - Accelerate re-employment through increased utilization of Worker Profiling and Reemployment Services (WPRS), Reemployment and Eligibility Assessment (REA), and the Jobs for Hoosiers programs.
 - Increase participation in JAG, Adult Education, WorkIN, HIRE and other programs designed to help a broad demographic of Hoosiers in need of workforce training, career counseling, and employment services.

Challenges for the 2016-2017 Biennium

- **Implementation of the Workforce Investment and Opportunity Act.**

Congress enacted the Workforce Investment and Opportunity Act (WIOA) in July of 2014. This new act replaces the current Workforce Investment Act administered by the Department and takes effect on July 1, 2015. WIOA requires significant changes to policies, procedures and overall administration of our federal programs and will require substantial effort to implement. The multi-layered design of these programs requires coordination of activities at both the state and local level and will require changes to significant policies and procedures across the workforce system.
- **Implementation of revised federal regulations regarding the utilization of federal funds.**

The Federal Office of Management and Budget has released the new "super circular" that combines the regulations previously outlined in several OMB circulars. This new circular has broad implication to the processes, procedures and allowable activities authorized with federal funding. The Department is required to review and revise policies and procedures related to accounting, reporting, procurement, and monitoring at both the state level and sub-recipient level. Not only will the Department have to implement and adhere to significantly revised regulations but we will be required to ensure that our local partners and other grantees are informed, trained and in compliance with the new regulations as well.
- **Continuing to provide appropriate levels of Unemployment Insurance services in the face of declining federal resources.**
 - The continuing decline in Unemployment Insurance Administrative funding will pose challenges to the mechanisms used to support the network of 28 WorkOne and 60 WorkOne Express offices throughout the state. These offices receive significant resources from the UI program to provide office access to UI claimants. Diminishing resources will continue to strain the operational needs of the program.

ATTACHMENT D-4

Indiana Department of Workforce Development Agency Overview, FY 2016-17 Biennial Budget

Change Package for the Demand Driven Workforce System)

Purpose of the Program: The Indiana Career Council Strategic Plan highlighted the need for Indiana to develop a pipeline of skilled workers to meet the demands of the state's current and future employers, and calls for 60% of Hoosier workers to earn some form of a post-secondary credential by 2025 to be qualified for employment in high wage/high demand jobs. In order for the State's workforce development system to meet this need, it must fundamentally change the way in which it connects with, and provides services to, workers and businesses.

Demand Driven Workforce System

- **Case Management System:**

- DWD will procure a system that drives a common point of entry, common processes, and common performance measures for all employment and training focused clients across multiple state programs (DWD, FSSA, DOE).
- The new system will consistently and seamlessly collect required information from an individual's entry all the way through their career pathway.
- In concert with the Workforce Innovation & Opportunity Act (WIOA) that goes into effect on July 1, 2015, the system will provide a common set of metrics across multiple state and federal programs.
- The system will facilitate an understanding of the client's interests and skills and align those with current employer needs to facilitate career placement.

- **Demand Process – Talent Pipeline Management**

- Develop and deploy a statewide framework to collect current and future hiring needs of all Indiana companies.
 - Develop common job classifications and identify associated skills with each classification.
 - Align all employment and training activities with the skills needed to fill current or near term hiring needs.
 - Facilitate the successful match of potential employer and qualified employees.
 - Build an understanding of future hiring needs of Indiana employers driving alignment of our educational systems (K-12 and post-secondary) with the current and future economy.
- DWD is the recipient of federal funding which can only be used for the specific program it has been awarded. The Department does not have any available federal funds for this initiative. We formally request \$5,000,000 per year to develop this system.