

ECONOMIC DEVELOPMENT

The Economic Development category includes appropriations for the Office of the Commissioner of Agriculture, the Department of Commerce, and the Department of Workforce Development. This category comprises approximately 5.8 percent of the recommended appropriations for all categories and 0.9 percent of the recommended General Fund appropriations for all Categories

Office of the Commissioner of Agriculture

The mission of the Office of the Commissioner of Agriculture is to promote Indiana's agricultural industry by coordinating the support of state government agencies when working on agricultural issues and opportunities. The Office of the Commissioner of Agriculture is a sub-agency of the Office of the Lt. Governor, and serves as the parent agency for the Indiana Grain Buyers and Warehouse Licensing Agency, the Indiana Commission for Agriculture and Rural Development, the Indiana Land Resources Council, and the Indiana Rural Development Council.

The budget for the Office of the Commissioner of Agriculture has been reduced by 4% from current (FY2003) expenditures. The budget for the Office of the Lt. Governor has been reduced by 14%. Combined, these two reductions result in an overall reduction of 7% for all of the Lt. Governor's agencies combined. The Lt. Governor has elected to reallocate funding from the Office of the Lieutenant Governor to the Office of the Commissioner of Agriculture to maintain these important economic development programs..

Department of Commerce

The mission of the Department of Commerce is to promote the creation and retention of secure, high paying jobs for Hoosiers and to assist in building local economic development capacity and competitive communities. The Department of Commerce has been substantially re-organized during the current biennium, with the establishment of regional offices in 12 economic regions. As part of this reorganization, the Department is consolidating all its day-to-day operations into three primary accounts: Administration, Community Economic Development, and Overseas Trade offices.

In addition, several changes have been made in the Economic Development Funds administered by the Department, including:

- Suspension of additional funding for the Strategic Development Fund, Community Promotion Fund, and Tourism Information/Promotion Fund.
- Elimination of the Small Business Development Corporation. The economic development activities of the corporation will be assumed directly by the Economic Development Division of the Department. Some of the funding previously allocated to the Corporation has been redirected to the Local Economic Development/Regional Economic Development matching grant program.
- Reduction of the Funding for the Skills 2016 training grant program, Industrial Development Grant Fund, Economic Development Grant Fund, Industrial Development Account, and Business and Tourism Promotion Fund.
- The Airport Facilities Lease and the Aviation Technology Center appropriations have been transferred from the Department of Commerce's operating budget to the capital budget.

Department of Workforce Development

The mission of the Department of Workforce Development is to ensure lifelong learning for Hoosiers. The DWD combines the former agencies responsible for employment and training, vocational and technical education, and workforce literacy. The DWD strives to improve the skills of the Hoosier workforce via a network of 27 WorkOne offices and 66 WorkOne Express offices located in 16 Workforce Service Areas throughout Indiana. These offices provide core workforce services such as labor market and career information, skills assessments, employment counseling, case management, job development and placement, skills training, unemployment insurance, and information about and referral to community support services.

Requested and recommended General Fund appropriations for the Department of Workforce Development in the FY 2004-2005 biennium are \$2.9M (43%) less than FY 2002-2003 biennium appropriated levels. The DWD instituted many budget cuts as a result of the state's fiscal crisis. Economies were realized in DWD's total personal services budget and reductions were instituted in the areas of worker training, skilled credential, and workplace literacy programs. DWD's budget also reflects an increase in Indiana's portion of the Federal Reed Act from \$4 million to \$160 million for the biennium. Reed Act funds will allow Indiana to work toward building a world class workforce system for the future.