OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

LEGISLATIVE SERVICES AGENCY

# WORKFORCE PROGRAM REVIEW

2020

**The Office of Fiscal and Management Analysis (OFMA) is a division of the Legislative Services Agency that performs fiscal, budgetary, and management analysis for the Indiana General Assembly.**

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# PREFACE

## IC 2-5-42.4-3 establishes an annual review, analysis, and evaluation process for Indiana's workforce-related programs.

The annual review is to be conducted over a five-year cycle during which each program will be reviewed at least once on a schedule that has been determined by the Office of Fiscal and Management Analysis, Legislative Services Agency (LSA). The Office of Fiscal and Management Analysis must submit an annual report of the workforce-related review to the Legislative Council and the Interim Study Committee on Fiscal Policy. This is the second review within the first five-year cycle, which will conclude in 2023. After the first five-year cycle is completed, the programs will be reviewed for a second time.

The programs subject to review in this report are as follows:

- Adult and Dislocated Worker Program (WIOA Title I)
- Re-Employment Services and Jobs for Hoosiers
- Rapid Response
- Trade Adjustment Assistance
- Vocational Rehabilitation Services (WIOA Title IV)
- OCRA's Workforce Development Programs (WDP) – Unfunded after FY 2018
- Career and Technical Education (CTE)

LSA conducted virtual interviews with agencies and providers, examined state and national survey data, and reviewed relevant literature. For the CTE analysis, LSA also accessed state-level programmatic administrative data with assistance from the Management Performance Hub (MPH) and the Governor's Workforce Cabinet (GWC). LSA would like to acknowledge the following agencies and organizations for their assistance in providing information that was used in preparation for this report:

- Commission for Higher Education
- Family and Social Services Administration
  - Division of Disability and Rehabilitative Services
- Governor's Workforce Cabinet
- Indiana Department of Education
- Indiana Department of Workforce Development
  - Regional Workforce Development Boards
- Ivy Tech Community College
- Management Performance Hub
- Office of Community and Rural Affairs
- Vincennes University

# ACRONYMS AND ABBREVIATIONS

| | |
|---|---|
| **BRS** | BUREAU OF REHABILITATIVE SERVICES |
| **CTE** | CAREER AND TECHNICAL EDUCATION |
| **CHE** | COMMISSION FOR HIGHER EDUCATION |
| **DOE** | DEPARTMENT OF EDUCATION (INDIANA) |
| **DWD** | DEPARTMENT OF WORKFORCE DEVELOPMENT |
| **ELL** | ENGLISH LANGUAGE LEARNERS |
| **ETPL** | ELIGIBLE TRAINING PROVIDER LIST |
| **FFY** | FEDERAL FISCAL YEAR |
| **FSSA** | FAMILY AND SOCIAL SERVICES ADMINISTRATION |
| **GWC** | GOVERNOR'S WORKFORCE CABINET |
| **ITA** | INDIVIDUAL TRAINING ACCOUNT |
| **IPE** | INDIVIDUALIZED PLAN FOR EMPLOYMENT |
| **LSA** | LEGISLATIVE SERVICES AGENCY |
| **MSD** | MOST SIGNIFICANT DISABILITIES |
| **MPH** | MANAGEMENT PERFORMANCE HUB |
| **OCRA** | OFFICE OF COMMUNITY AND RURAL AFFAIRS |
| **OCTAE** | OFFICE OF CAREER, TECHNICAL, AND ADULT EDUCATION |
| **OFMA** | OFFICE OF FISCAL AND MANAGEMENT ANALYSIS |
| **PRE-ETS** | PRE-EMPLOYMENT TRANSITION SERVICES |
| **RESEA** | RE-EMPLOYMENT SERVICES AND ELIGIBILITY ASSESSMENTS |
| **RSA** | REHABILITATION SERVICES ADMINISTRATION |
| **RTAA** | RE-EMPLOYMENT TRADE ADJUSTMENT ASSISTANCE |
| **SFY** | STATE FISCAL YEAR |
| **SSDI** | SOCIAL SECURITY DISABILITY INSURANCE |
| **SSI** | SUPPLEMENTAL SECURITY INCOME |
| **TAA** | TRADE ADJUSTMENT ASSISTANCE |
| **USDOE** | UNITED STATES DEPARTMENT OF EDUCATION |
| **USDOL** | UNITED STATES DEPARTMENT OF LABOR |
| **USDOLETA** | UNITED STATES DEPARTMENT OF LABOR, EMPLOYMENT AND TRAINING ADMINISTRATION |
| **VR** | VOCATIONAL REHABILITATION ACT OF 1973 |
| **WIA** | WORKFORCE INVESTMENT ACT OF 1998 |
| **WIOA** | WORKFORCE INNOVATION AND OPPORTUNITY ACT OF 2014 |

# EXECUTIVE SUMMARY

When LSA began reviewing these workforce programs in the fall of 2019, the state had been experiencing a prolonged period of economic expansion.

There was a growing consensus regarding the existence of a skilled labor shortage across the country. Indiana was directing funding toward training programs that were anticipated to lead participants to high wage and high demand jobs. Indiana's workforce development programs, now governed predominantly by the Governor's Workforce Cabinet (GWC) and the Department of Workforce Development (DWD), were focused on employer engagement and skilling up the necessary workforce. The GWC and DWD were preparing a Strategic Workforce Plan which, for the first time, included partner programs overseen by the Family and Social Services Administration (FSSA) and other agencies. Providers and educators at the local level were adapting to declining federal funds and new federal program regulations, all while serving adult applicants with some of the most severe barriers to employment and/or the most significant disabilities. The following key trends were dominant leading into March of 2020:

1. Total state funding toward CTE and adult training was increasing, albeit with restrictions based on high wage and high demand employment projections.
2. Regional and front-line staff serving adults faced cutbacks or changes to programing due to diminishing federal dollars or new program implementation.
3. Employers faced skilled and unskilled labor shortages across the state.
4. Fewer individuals were in need of employment services due to low unemployment levels; however, the individuals in need of service tended to have more significant barriers to employment.

Since March of 2020, and throughout the writing of this report, the state has experienced huge spikes in unemployment due to the COVID-19 pandemic. Providers and educators have switched gears to offer virtual and online training and supportive services. It became a focus of LSA's research and interview process to question program providers and staff about their ability to respond to the crisis. Some regions were better equipped with technology than others to switch to a virtual office model and continue providing services. DWD did offer technology support, yet nearly all WorkOne Center and DWD staff found themselves responding to unemployment claimant concerns while managing other tasks (Oneal, et al., 2020).

Schools, postsecondary institutions, and training providers serving students of all ages and backgrounds now face new challenges in providing the types of "hands-on" and technical trainings vital to workforce development, vocational

rehabilitation, and CTE programs. To address the pandemic, during the summer of 2020 the GWC began the campaign "Rapid Recovery for a Better Future" to assist individuals experiencing unemployment. The GWC also expanded state and/or redirected federal funding toward the NextLevel Jobs program and Secondary CTE providers. An updated CTE funding memo was released in light of questions regarding virtual versus traditional in-person course offerings. Despite these efforts, all regions and providers are facing new and complicated challenges while experiencing declining participant enrollments and completions.

## Key Findings

LSA's review of program data finds positive associations between CTE coursework and student performance. Students engaged in CTE courses, particularly advanced courses, experience improved high school graduation rates, lower remediation rates, and increased wages post high school (outcomes visible in the short run, while not controlling for other variables).

This review also finds that flexible training offerings supported by case management are shown to improve client outcomes. A study of the Workforce Investment Act (WIA), precursor to WIOA, also found that "the net benefits of WIA-funded intensive and training services to customers, taxpayers, and society as a whole are positive" (Burkander, 2017). However, the cost benefit analysis of the training programs did not always provide a successful return or wage gain to clients. The study found positive outcomes related to clients' participation in the supportive (WIA Intensive) services. The importance of case management or supportive services as a tipping point to client success was present in LSA's interviews with program providers and regional staff across the state.

The less than positive return for adult clients only receiving training has several potential explanations. It is often a struggle for individuals to shift to new careers. Measureable increases in their wages to the same levels as before a job layoff may be observed only in the long term. One strategy in Indiana to address these shortcomings has been to focus training dollars toward occupations that are anticipated to pay higher wages and to be in high demand. Unfortunately, in the case of CTE, LSA found little evidence that incentivizing courses by funding levels has influenced student enrollment choices. Some factors, like student preference, cannot easily be addressed by policy. The DWD occupation demand and course funding methodology that is designed to incentivize high wage and high demand jobs may be too restrictive for some areas of the state or types of programs. Also, in the case of CTE, the courses may not yet be fully aligned with postsecondary pathways.

LSA's review confirms that these workforce development programs do not operate in isolation; thus, they are difficult to evaluate in isolation. Rather, they have been constructed, and continue to be designed, to work toward service provision tailored to the individual client and employer needs, irrespective of funding stream or program deliverables. Indiana's Strategic Workforce Plan is now a combined state plan recognizing these realities in the field.

The following five strategies outlined in the plan address many of the factors shown to influence client outcomes: 1) Co-enrollment 2) Co-location 3) Data sharing 4) Employer and community engagement and 5) Staff development/ training.

However, to ultimately meet the goals set by the plan, the state may need to prioritize case management and supportive services to ensure the dollars that have been set aside for training have their full impact. Additionally, as CTE has been found to improve student performance, the gaps in participation for urban and minority students will need to be addressed to ensure equity in student outcomes and to offer the greatest return on the public investment. Increased flexibility for approved training courses, as designated by the state's jobs-in-demand flames methodology, is needed at the regional level. Lastly, to overcome the technical, legal, and perception-based barriers to data-sharing, adequate resources and agency buy-in are essential for the state's co-enrollment and collaborative vision to become reality.

# INTRODUCTION

## WORKFORCE-RELATED PROGRAM REVIEW PROCESS

IC 2-5-42.4-3 establishes an annual review, analysis, and evaluation process for Indiana's workforce-related programs.

The full text of IC 2-5-42.4 can be found in Appendix C. The statute requires the LSA to annually submit a report to the Legislative Council and the Interim Study Committee on Fiscal Policy by October 1. The statute also requires the Committee to annually hold at least one public hearing in October at which LSA presents its report and the Committee receives information concerning workforce-related programs. The Committee shall submit to the Legislative Council any recommendations related to the review.

### The Report

IC 2-5-42.4-5 requires LSA to submit a report including the following components before October 1 of each year: (1) an explanation of the program; (2) the history of the program; (3) an estimate of the cost of the program for each state fiscal year of the next biennial budget; (4) a detailed description of the review, analysis, and evaluation for the program; (5) information to be used by the General Assembly to determine whether the program should be continued, modified, or terminated, the basis for any recommendation, and the expected impact of the recommendation; and (6) information to be used by the General Assembly to better align the program with the original intent of the legislation that enacted the workforce-related program.

## 2020 Reviews

| Agency | Program Name | Most Recent Biennium Expenditures (in Millions, Includes Federal $) | Average Annual Participants |
|---|---|---|---|
| Department of Workforce Development | WIOA Adult | $24 | 9,000 |
| Department of Workforce Development | WIOA Dislocated Worker Programs | $27 | 5,000 |
| Department of Workforce Development | Trade Adjustment Assistance | $30 | 1,600 |
| Department of Workforce Development | Rapid Response | $4 | 1,000 |
| Department of Workforce Development | Re-Employment Services and Eligibility Assessments | $12 | 47,000 |
| Governor's Workforce Cabinet | Career and Technical Education | $276 | 200,000 |
| Family and Social Services Administration | Vocational Rehabilitation | $151 | 21,000 |
| Office of Community and Rural Affairs | Workforce Development Program | Program sunset after 2017 Biennium | N/A |

# WORKFORCE INNOVATION AND OPPORTUNITY ACT OF 2014

The Workforce Innovation and Opportunity Act of 2014 (P.L. 113-128) was the first major restructuring of workforce development programs since the passage of the Workforce Investment Act of 1998 (P.L. 105-220) (Counts, 2017).

**FIGURE 1.**
FIVE WIOA TITLES: CORE PROGRAMS TO SUPPORT WORKFORCE DEVELOPMENT

1

**TITLE I – ADULT, DISLOCATED WORKER (REVIEW YEAR 2020), AND YOUTH PROGRAMS (WIOA YOUTH - REVIEW YEAR 2021)**

Authorizes job training and related services to unemployed or underemployed individuals and establishes the governance and performance accountability system for WIOA.

2

**TITLE II – ADULT EDUCATION AND LITERACY (REVIEW COMPLETED IN 2019)**

Authorizes education services to assist adults in improving their basic skills, completing secondary education, and transitioning to postsecondary education.

3

**TITLE III – WAGNER-PEYSER ACT (REVIEW YEAR 2021)**

Amends the Wagner-Peyser Act of 1933 to integrate the U.S. Employment Service (ES) into the One-Stop system authorized by WIOA.

4

**TITLE IV – VOCATIONAL REHABILITATION ACT OF 1973 (REVIEW YEAR 2020)**

Authorizes employment-related vocational rehabilitation services to individuals with disabilities, to integrate vocational rehabilitation into the One-Stop system.

5

**TITLE V**

General Provisions – specifies transition provisions from WIA to WIOA.

**SOURCE:** (Bradley, 2015).

WIOA IS A FEDERAL WORKFORCE development program encompassing five titles and multiple programs to support state workforce development systems (Figure 1). The core programs are integrated to support activities such as job search assistance, education, career counseling, career coaching, occupational skills training, classroom training, and on-the-job training for individuals seeking to gain or improve their employment options (Bradley, 2015). WIOA made the following significant changes to WIA: 1) creating flexibility in service delivery; 2) requiring more local industry and community partnerships; 3) cross-agency collaboration and integrations; 4) performance accountability and transparency; and 5) prioritizing access for individuals with significant barriers to employment.

The federal government oversees performance accountability for WIOA. All states report on six consistent outcome measures, across all programs. States negotiate target levels of performance and design their own strategy. States are required to develop a unified state plan or a combined state plan to outline the state's strategic plan. A unified state plan outlines a four-year strategy for the core programs. Under

a combined state plan, the states are required to include at least one or more of the partner programs in the state's plan. The state plan outlines how the government will assist job seekers and the unemployed in accessing employment, training, education, and supportive services through the WIOA programs, agency partnerships, and state initiatives.

Indiana's Governor's Workforce Cabinet (GWC) submitted a combined state plan for Indiana. The approved plan was released in March 2020. This is Indiana's first submission of a combined state plan. The plan includes the core WIOA programs as well as partner programs for a comprehensive approach to workforce development.

# WIOA TITLE I - ADULT AND DISLOCATED WORKER PROGRAMS

## BASIC ATTRIBUTES OF THE PROGRAMS

Indiana's Adult and Dislocated Worker programs provide career and training services to individuals seeking to improve their skills or obtain employment, training, or postsecondary credentialing. For a full list of services, see Appendix A.

These services are offered in three tiers based on the client's needs: (1) basic services, (2) individualized career services, and (3) training services. Some basic services may include access to labor market information and local job postings, while individualized career services include skills assessment tests and case management to help clients obtain and retain employment (Bradley, 2015). Both programs serve individuals over the age of 18. Under federal law, there are certain individuals that these programs are required to focus on serving. Also, the WIOA adult program is required to give priority to public assistance recipients, low-income individuals, and individuals with basic skills deficiency for the purposes of training dollars. Job seekers can access these career and training services through local WorkOne Centers, training providers, and local partners.

Indiana's WorkOne Centers operate as a central location for job seekers and workers to receive WIOA program services. Currently, there are at least 21 WorkOne Centers throughout the state. WorkOne Centers play a critical role in assisting and addressing clients' needs by providing integrated case management services, individualized career planning, résumé building, job referral services, job placement, and training opportunities. Clients may also be eligible for supportive services such as assistance with expenses related to books, uniforms, tools, and transportation (Burkander, et al., 2017). Some regions have also implemented a referral process that allows participants to connect with other agencies for subsidized housing, vocational rehabilitation services, and childcare resources.

### Program Administration

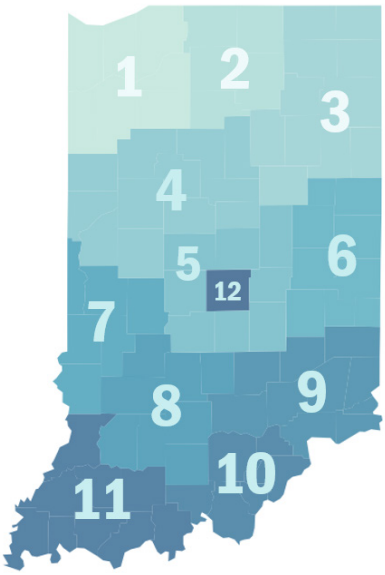
The Adult and Dislocated Worker programs are funded by a grant from the U.S. Department of Labor (USDOL). The Indiana Department of Workforce

Development (DWD) allocates the funds to the 12 Regional Workforce Development Boards (WDBs) (Map 1). The WDBs administer the funding, coordinate the delivery of services, and provide regional oversight for local programs and providers. Established by SEA 50-2018, the GWC is now the state advisory board. Under federal law, the GWC oversees all WIOA and Perkins CTE programs under the combined state plan. The GWC and DWD work closely with the WDBs, local WorkOne Centers, and providers to ensure that state and federal performance metrics and data reporting requirements are met.

The DWD also approves training providers to ensure that training funded through WIOA aligns with workforce demand, Indiana's career pathways, and is provided by an eligible training provider with performance accountability (DWD, Strategic Workforce Plan, p. 350). An Eligible Training Provider is "an entity that provides training services and has been determined to be eligible to receive WIOA funding for training services through an Individual Training Account (ITA)" (DWD, Strategic Workforce Plan) (Figure 2).

According to the DWD, there are over 300 eligible training providers around the state. The ETPL also includes programs approved by DWD, but not funded by WIOA training dollars. Training providers report student-level data through the INTraining portal, and the information is reported quarterly to the USDOL. Student/client data is also reported through DWD's Indiana Career Connect portal.

**MAP 1.**
WORKFORCE DEVELOPMENT BOARD REGIONS




**SOURCE:** DWD, https://www.in.gov/dwd/WDB.htm.

**FIGURE 2.**
THE FOLLOWING TYPES OF ENTITIES MAY BE ELIGIBLE TO BE A WIOA ELIGIBLE TRAINING PROVIDER:

1. Institution of higher education that provides a program leading to a recognized postsecondary credential.

2. Entity that carries out programs registered under the National Apprenticeship Act (29 U.S.C. 50 et seq).

3. Other public or private providers of training services, which may include:
   - Community-based organizations;
   - Joint labor-management organizations; and
   - Eligible providers of adult education and literacy activities under Title II of WIOA.

**SOURCE:** DWD, Strategic Workforce Plan, p. 350.

Core WIOA programs related to the Adult and Dislocated Worker programs include the Adult Education and Literacy program (AE), Wagner-Peyser, and the Vocational Rehabilitation Act of 1973 (VR). Many participants are co-enrolled, or dually eligible, for many different programs. It is the task of the local office and case managers to determine the best fit for client eligibility. The AE program was reviewed in greater detail by LSA in 2019, and VR will be discussed in a later section of this report. The Title III Wagner-Peyer program also supports Adult and Dislocated Worker participants. Wagner-Peyer is used to help WorkOne Center staff and job seekers provide employer engagement, career coaching, individualized career services, recruitment services, and to fund the labor exchange (DWD, Strategic Workforce Plan, p. 74). This program will be reviewed in 2021.

## Partner Programs

Under WIOA, programs must also increase collaboration with partner programs (Figure 3). In many ways, this has improved the services provided to WIOA Adult and Dislocated Worker participants. There are currently multiple state and federal programs available to eligible adults and displaced workers.

These programs allow participants to co-enroll. Co-enrollment means that a participant can enroll and receive services from multiple programs during a cohort period. Suppose a training program requires its participants to have a high school diploma or High School Equivalency (HSE). In that case, a client's co-enrollment may be necessary to enroll in a particular training program. An individual may co-enroll in WIOA Adult for training services and WIOA AE for basic education services to obtain an HSE. By co-enrolling participants, the programs can manage resources effectively, improve their service level to the client, and allow other programs to fill in the gaps where administrative or funding barriers exist.

**FIGURE 3.**
COMBINED STATE PLAN: PARTNER PROGRAMS

1 **CAREER AND TECHNICAL EDUCATION (CTE)**
CTE programs authorized under the Carl D. Perkins Career and Technical Education Act of 2006, as amended by the Strengthening Career and Technical Education for the 21st Century Act (Perkins V). *(Review Year 2020)*

2 **INDIANA MANPOWER PLACEMENT AND COMPREHENSIVE TRAINING (IMPACT)**
IMPACT provides services designed to help recipients of Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) achieve economic self-sufficiency through education and training services. *(Review Year 2019)*

3 **TRADE ADJUSTMENT ASSISTANCE FOR WORKERS (TAA)**
The purpose of TAA is to assist job workers who have been terminated, laid off, or dislocated due to foreign trade impacts. *(Review Year 2020)*

4 **JOBS FOR VETERANS STATE GRANTS**
This program provides individualized career and training-related services to veterans and eligible persons with significant barriers to employment. *(Review Year 2023)*

5 **UNEMPLOYMENT INSURANCE PROGRAMS, INCLUDING THE RE-EMPLOYMENT SERVICES AND ELIGIBILITY ASSESSMENT (RESEA)**
The program is designed to support Unemployment Insurance (UI) claimants return to work faster. Targeted outreach is conducted for claimants deemed most likely to exhaust benefits (without finding a job on their own). *(Review Year 2020)*

6 **SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM**
This is a community service and work-based job training program for older Americans. Authorized by the Older Americans Act, the program provides training for low-income, unemployed seniors. *(Review Year 2021)*

The client is only considered enrolled in the program if they receive services in the cohort period. It is both a strength and a weakness that such a myriad of programs and services exist. There are various opportunities for individuals to receive the necessary training and supportive services, yet due to the divergent funding streams and eligibility rules, co-enrollment is often burdensome and challenging to implement at the local level. This was a consistent item of feedback discussed during the field interviewing process.

While attempts have been made in the past to improve the coordination of services, submitting a combined state plan is one significant change at the state level that indicates broader support of these goals, as programs often continue to operate in silo. While not an exhaustive list of partners, those in Figure 4 have played an integral role in workforce development and supporting workers, job seekers, and local employers, and will now be included in the state's strategic plan. In the following pages, LSA provides a brief review of the Re-employment Services and Eligibility Assessment (RESEA), Rapid Response, and TAA partner programs before going into greater detail on the Adult and Dislocated Worker core programs.

## RE-EMPLOYMENT SERVICES AND ELIGIBILITY ASSESSMENT (RESEA) PROGRAM

RESEA is a federal program funded by the USDOL. As with WIOA, the DWD receives the funding for RESEA, and that funding is disbursed to the WDBs through a subgrantee process.

The program is designed to support Unemployment Insurance (UI) claimants' efforts to return to work faster. Targeted outreach is conducted for claimants deemed most likely to exhaust benefits (without finding a job on their own). Indiana expanded the RESEA program as "Jobs for Hoosiers" with P.L. 154-2013 to reach more clients. Any UI client who is receiving benefits for four weeks will receive notification to participate in the RESEA program. Clients are required to attend a program orientation through the WorkOne system, among other program requirements. RESEA activities include completing a career assessment, enrolling in Indiana's labor exchange program, creating an individual re-employment plan, tracking work search activities, and participating in ongoing re-employment services.

The program in Indiana received national attention for engaging with UI clients. DWD is currently undergoing a review process for RESEA and Jobs for Hoosiers. However, both programs are now impacted by the COVID-19 pandemic such that a participant's requirement to seek services at a WorkOne Center have been waived. Given that this case management intervention had been helpful for connecting clients to

WIOA or other services as appropriate, this will likely impact co-enrollment and outcomes for a variety of programs over the next year. The program typically served an average of over 45,000 clients enrolled annually (pre-COVID-19) with funding approaching $12 million over a biennium (Table 1). Some of the latest outcome measures indicated 76% of clients served obtained follow-up employment (DWD, Performance Dashboard). A key RESEA metric tracked by all states includes the average weeks to re-employment. This varies significantly during times of economic distress. In recent years, Indiana's performance was improving, with average weeks to re-employment down from greater than 23 during the 2009 recession to 16 weeks during 2018 (USDOLETA, 9129 Reports).

**TABLE 1.**
RESEA AND JOBS FOR HOOSIERS

| SFY | Clients Enrolled | Funding |
|---|---|---|
| 2017 | 52,700 | $5,783,860 |
| 2018 | 48,145 | $5,310,128 |
| 2019 | 45,321 | $6,395,160 |

**SOURCE:** Data provided by DWD.

RESEA operated as another touchpoint for clients to gain access to services. While it may have been mandatory for some UI beneficiaries, RESEA had a dual purpose in connecting individuals to WIOA and other eligibility programs. As a tool for co-enrollment, RESEA can continue to play a vital role within the combined state plan whenever the waiver is lifted and clients may visit local offices again with more frequency.

# TRADE ADJUSTMENT ASSISTANCE PROGRAM

The Trade Adjustment Assistance (TAA) program is designed to help dislocated workers specifically impacted by changes in international trade and outsourcing.

A dislocation event must be certified by the USDOL. The state now requires that TAA participants be co-enrolled in WIOA, yet not all WIOA clients will be TAA eligible. TAA offers a variety of benefits and re-employment services, with some services including training, job search and relocation allowances, income support, and other re-employment services.[1]

## Program Administration

The Trade Adjustment Assistance (TAA) program is jointly administered by USDOL and cooperating state agencies (Figure 4). For Indiana, this cooperating agency is DWD. The USDOL makes eligibility determinations, allots appropriated funds to cooperating state agencies, and oversees grantees. Benefits are provided through DWD and the state unemployment insurance system. States are responsible for collecting participation and outcome data and reporting these data to the USDOL.

TAA services are administered to manufacturing and service sector workers, International Trade Commission

[1]During the COVID-19 pandemic, the USDOL advertised that individuals who have been harmed by the pandemic *may* be eligible for TAA services.

**FIGURE 4.**
TAA PROGRAM HISTORY

The TAA program is established under the Trade Authorization Assistance Reauthorization Act of 2015, but originally passed into law in 1962. The program has been reauthorized three times since 2009. The Trade and Globalization Adjustment Assistance Act (TGAAA) reauthorized the TAA program in 2009. Then, the program was reauthorized in 2011 by the Trade Adjustment Assistance Extension Act (TAAEA). The TAAEA expired in December 2013, and the expiration of this act triggered a one-year reversion to the provisions of the 2002 authorization. Congress passed the Trade Adjustment Assistance Reauthorization Act of 2015, which is set to expire on June 30, 2021.

(ITC), and workers who have lost their jobs or had their hours reduced due to a change in their company's production or sales stemming from increased imports or outsourcing to any country. The TAA program provides federal funding for retraining these displaced workers through approved courses that assist participants toward obtaining a new marketable skill, certification, or degree (Training and Other Activities, or TaOA).

Eligible displaced workers can also receive up to 130 weeks of income support payments if they are enrolled/attending full-time training courses (Trade Readjustment Assistance, or TRA). The program also offers job search and relocation allowances to workers who cannot find available employment within a 50-mile commuting area. Job search and relocation costs are reimbursed up to 90% with a maximum of $1,250 per recipient for both job searching and relocation ($2,500 total).

The Re-employment Trade Adjustment Assistance (RTAA) program also provides a wage supplement to older dislocated workers to fill in the wage gap between their old wage and their new wage (if lower). This benefit is available to workers over the age of 50 who make less than $50,000 per year with a maximum income support benefit of $10,000, and it is available for full and part-time re-employment.

## Current Program Participation

2019 is the latest full federal fiscal year (FFY) for which data is available for TAA services administered to displaced and affected Hoosiers. In FFY 2019, a total of 458 new participants received TAA services, with a total of 1,524 individuals participating in the program. Displaced workers in Indiana received approximately $12.7 million in federal training fund allocations, with total program funding reported to be $18.5 million (Labor, 2019 State Program Statistics, FFY 2019). See Table 2 for participant, funding, and certification information for the last few years.

## Funding

States typically receive three grant funding streams through the TAA program: Training and Other Activities (TaOA), Trade Readjustment Allowances (TRA), and Alternative Trade Adjustment Allowance (ATAA)/Re-employment Trade Adjustment Assistance (RTAA).

Total allocations to states are based on a formulaic calculation based on quarterly state unemployment and program participation data. This formula

**TABLE 2.**
INDIANA TRADE ACTIVITY PARTICIPANT REPORT DATA, FFY 2017-2019

| | FFY 2017 | FFY 2018 | FFY 2019 |
|---|---|---|---|
| Number of Petitions Instituted | 14 | 28 | 26 |
| Certifications | 12 | 20 | 16 |
| Estimated Workers Covered | 1,416 | 3,078 | 1,233 |
| Training Fund Allocation | $9,004,438 | $7,069,867 | $12,711,872 |
| Total TAA Funding (TaOA, TRA, ATAA/RTAA) | $13,884,438 | $11,794,867 | $18,486,872 |
| New TAA Participants | 760 | 962 | 458 |
| Total TAA Participants | 1,334 | 1,736 | 1,524 |
| New Training Participants | 217 | 321 | 151 |
| Total Training Participants | 434 | 441 | 519 |
| Participants in Training on Last Day of Quarter | 244 | 353 | 277 |
| New TRA Recipients | 232 | 224 | 289 |
| Total TRA Recipients | 314 | 475 | 364 |
| Total Exiters | 559 | 631 | 663 |
| Employment Rate Q2 (Primary Indicators) | 84% | 86% | 83% |
| Employment Rate Q4 (Primary Indicators) | 81% | 84% | 83% |
| Median Earnings Q2 (3-months) (Primary Indicators) | $9,275 | $9,419 | $9,642 |

**SOURCE:** USDOLETA PIRL: https://www.dol.gov/agencies/eta/tradeact/data/2019#IN.

gives additional weight to data reported in latter quarters of each preceding year.

For FFY 2018, Congress appropriated $790 million for the TAA for Workers program. Of this amount, $398 million was effectively earmarked for training and re-employment services and the remaining $340 million was for income support and wage insurance. Table 3 shows total federal funding allocated to Indiana over the past five fiscal years for the three programs that fall under TAA: TaOA, TRA, and ATAA/RTAA.

## Cross State Comparisons

LSA examined aggregate data from USDOL to look for comparisons or trends within TAA program data among Indiana, the border states, and Wisconsin. LSA specifically reviewed data over the past five years in which data was available. This allowed a comparison between Midwestern states with a strong manufacturing sector during economic growth following the 2009 recession, and including the period after TAA restrictions were changed be Congress in 2015.

## TABLE 3.
FEDERAL TAA FUNDING TO INDIANA, FFY 2014-2019

**Training and Other Activities (TaOA)**
Funds are used for TAA training, case management activities, job search allowances, relocation allowances, and program administration. Grant funding from a TaOA allocation lasts for three years. Case management and employment services have a statutory minimum amount to be spent per year set at 5% of funds provided by the program.

| | FFY 2015 | FFY 2016 | FFY 2017 | FFY 2018 | FFY 2019 |
|---|---|---|---|---|---|
| | $3,411,862 | $7,290,788 | $9,004,438 | $7,069,867 | $12,711,872 |

**Training Readjustment Allowance (TRA)**
Funds are used for providing Trade Readjustment Allowances. TRA funds provide income support payments to individuals who have exhausted unemployment compensation. This grant stream is for a single year, meaning allocations in FFY 2019 are only available for FFY 2019. These grants are administered as an UI grant.

| | FFY 2015 | FFY 2016 | FFY 2017 | FFY 2018 | FFY 2019 |
|---|---|---|---|---|---|
| | $3,100,000 | $2,213,000 | $3,395,000 | $3,025,000 | $3,975,000 |

**Alternative Trade Adjustment Allowance (ATAA) & Re-employment Trade Adjustment Assistance (RTAA)**
Eligible individuals over the age of 50 are provided a wage subsidy to help bridge the salary gap between their old and new employment provided they obtain new employment within 26 weeks or their separation. Similar to TRA, these grant funds are available only for the year in which they are reallocated and grants are administered as an UI grant.

| | FFY 2015 | FFY 2016 | FFY 2017 | FFY 2018 | FFY 2019 |
|---|---|---|---|---|---|
| | $2,170,000 | $970,000 | $1,485,000 | $1,700,000 | $1,800,000 |
| **Total** | **$8,681,862** | **$10,473,788** | **$13,884,438** | **$11,794,867** | **$18,486,872** |

**SOURCE:** USDOL: https://www.dol.gov/agencies/eta/tradeact/data/financial-data.

Based on the data for these six states[2] over the past five years, Indiana received the lowest funding allocation for TAA services and had one of the lowest funding per TAA participant ratios. TAA is an entitlement program, therefore any worker determined to be eligible who applies for services is entitled to receive them. However, Indiana has the fourth largest number of petitions, certifications, and workforce (see Table 4). If the allocation is comparatively the least of the states selected for comparison (including allocation per worker), this could indicate the cost of TAA-approved training is lower in Indiana.

Despite the low program allocation, Indiana has the third highest rate of program participants entering employment, the second highest employment retention rate, and the highest average earnings six months after exiting the TAA program. To account for the different costs of living between each of the six comparison states, each state's regional price parity (RPP) was used to adjust each state's reported income for workers exiting the TAA program. After adjusting for each state's RPP, Indiana workers still maintained the

[2]Indiana, Illinois, Kentucky, Michigan, Ohio, and Wisconsin.

**TABLE 4.**
INDIANA REGIONAL RANKING ON RELEVANT TAA PERFORMANCE METRICS

| Performance Metric | 5-Year Average | 5 -Year Average Rank Among 6 Midwest/ Neighbor States (1 is Highest) |
|---|---|---|
| Petitions Issued | 25.6 | 4 |
| Certifications | 17.8 | 4 |
| Workers | 2,821 | 4 |
| Training Allocation | $7,897,765 | 6 |
| Allocation/Worker | $4,491 | 4 |
| Total Exiters | 639 | 2 |
| Entered Employment Rate | 81.7% | 3 |
| Employment Retention Rate | 86.6% | 2 |
| 6-Month Average Earnings | $13,700 | 1 |
| Manufacturing Jobs | 531,075 | 4 |
| Private Sector Jobs | 2,623,209 | 4 |

**SOURCE:** OFMA estimates of USDOL and BLS Data.

highest average earnings six months after securing employment during the five-year look back period.

The range between the highest wage earning state (Indiana) and the lowest was approximately $2,500. This data indicates that although Indiana has the lowest allocation for TAA-approved training, the state could be the most cost-effective at retraining displaced workers, helping them reenter the workforce, and/or secure well-paying jobs after exiting the program.

## Current Challenges

At the writing of this report, 46 companies in Indiana have applied for certification by USDOL as experiencing a TAA-eligible event during 2020 (Development, 2020). Of these 46, 11 have been approved, an additional 28 are pending certification, and seven certifications have either been terminated or denied. These approved and pending certifications account for approximately 4,000 impacted workers. Of these 38 impacted companies with approved or pending certifications, a total of seven companies listed coronavirus or COVID-19 as being a supporting reason for TAA eligibility.

As a result of the COVID-19 pandemic, key employment and case management services, as well as classroom training for displaced and affected workers, have been administered remotely. Administration of these services in rural parts of the state with less access to broadband and technology is challenging. The USDOL issued guidance that if grantees, sub-recipients, and service providers rely on personal cell phones and computers to administer or receive services at home during the pandemic, these costs may be charged to the program (Labor, COVID-19 Frequently Asked Questions, 2020).

## Co-Enrollment

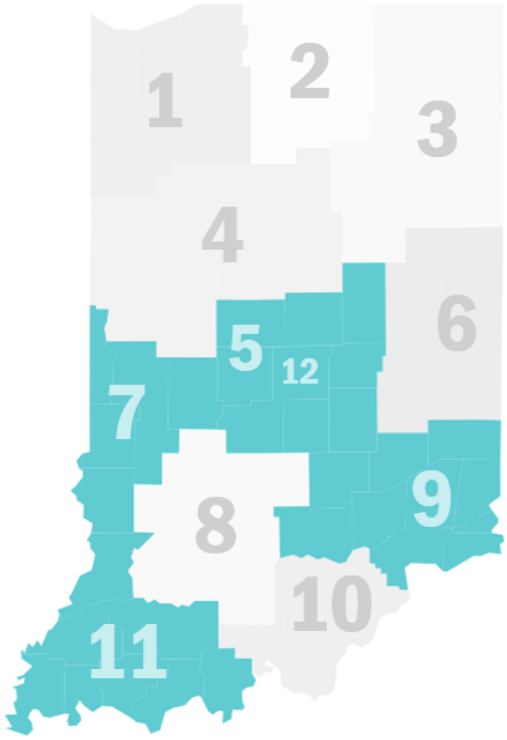
The current combined state plan specifically identifies co-enrollment for displaced workers in both the TAA and the WIOA programs as a priority for 2020. Co-enrollment capitalizes on additional federal wage reimbursement for displaced workers. TAA reimburses on-the-job training costs, with up to 50% covering wages. For those who are co-enrolled in WIOA, the WDBs can use federal WIOA dollars to reimburse an additional 25% of these costs, bringing the total federal reimbursement of wages to 75%.

The GWC set a target of 50% TAA-eligible workers being co-enrolled in WIOA. During the second quarter of FFY 2020, the total number of TAA-eligible workers co-enrolled statewide in WIOA surpassed this goal (64%). However, the co-enrollment statistics vary widely across the state. As LSA observed in the data and from field interviews, certain regions face greater barriers to the implementation of the state strategies for co-enrollment and client referral processes (Map 2).

## Conclusions

TAA allows workers the ability to learn a new marketable skill to move into a different sector of the economy and gain employment. Given that this program is an entitlement program, it is often highly flexible in terms of allowable training. The TAA program, as administered in the state, is regionally cost effective, and it results in workers who exit the program obtaining the highest average wage earnings as compared to neighboring states. TAA certified events may see increases with the current economic crisis. Thus, the importance of co-enrollment to leverage funding and support clients will become increasingly crucial to client success.

**MAP 2.**
INDIANA WORKFORCE DEVELOPMENT BOARD REGIONS THAT FELL BELOW 50% CO-ENROLLMENT GOAL




**SOURCE:** OFMA analysis of DWD data and field interviews.

# RAPID RESPONSE PROGRAM

DWD's Rapid Response teams offer another tool to support employers and dislocated workers.

THESE TEAMS WORK WITH employers to provide services for affected companies experiencing downsizing or job losses (Figure 5). DWD and regional WDB staff traditionally provide customized services administered on-site at affected companies. The Rapid Response program is funded entirely by federal funds. Annually, the program receives anywhere from $1.5 million to $2.4 million for operations.

During the COVID-19 pandemic, DWD was unable to provide Rapid Response services in person. The agency instead shifted to begin administering services through virtual job fairs and webinars. DWD staff and regional offices administered virtual career fairs for both rapid response and TAA. The DWD reported approximately 213 individuals attended a statewide, virtual Rapid Response and TAA orientation on May 7, 2020.

This shift in service delivery occurred at a time of increased program needs statewide. Through July 2020, 137 Worker Adjustment and Retraining Notifications (WARN) were received by the DWD (Development, 2020). The WARN notice is one primary trigger for DWD to initiate Rapid Response activities. For comparison, during 2018 and 2019, a total of 76 WARN notices were received (33 in 2019 and 43 in 2018) affecting approximately 11,000 workers.

Many of these employees could be eligible for WIOA services. However, not all companies respond or request services (Gatlin, 2020).

The co-enrollment and data sharing strategies of the combined state plan aim to improve outcome verification and client experience for both employers and employees experiencing layoff events with case management and referral to appropriate training. Table 5 illustrates current co-enrollment estimates for the last few years. These partner programs offer additional tools and services for clients and employers seeking assistance from the WDBs based on their specific eligibility.

**FIGURE 5.**
RAPID RESPONSE IS AN EARLY INTERVENTION STRATEGY

Services include:
- Career Counseling
- Job search assistance
- Résumé preparation
- Interview skills workshops
- Labor market information
- Veterans' services
- Unemployment insurance benefit assistance
- COBRA benefit assistance
- Job fairs
- Education and training referrals – including WIOA and TAA

**SOURCE:** DWD, Indiana's Strategic Workforce Plan.

**TABLE 5.**
RAPID RESPONSE AND TAA PARTICIPATION, SFY 2017-2020

| Year | Rapid Response and TAA Participants |
|---|---|
| SFY 2017 | 1,629 |
| SFY 2018 | 965 |
| SFY 2019 | 1,001 |
| SFY 2020 | 1,314 |

**SOURCE:** DWD. The agency cited limitations in full co-enrollment data for these two programs.

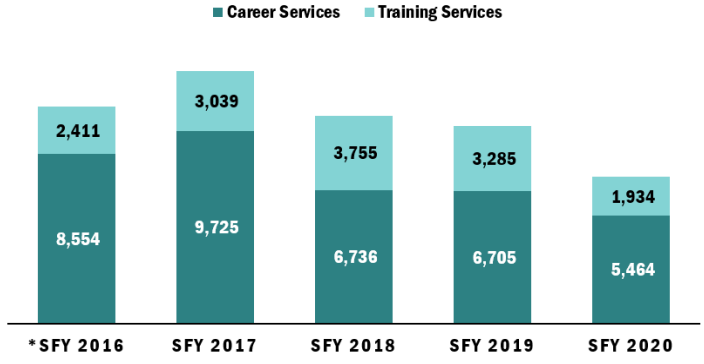
# WIOA TITLE I PROGRAM PARTICIPANTS: ADULTS

The WIOA Adult program is available to individuals ages 18 and older, with priority for WIOA training dollars given to public assistance recipients.

THE WIOA ADULT PROGRAM serves between 9,000 and 11,000 individuals annually. The majority of the adult participants are between the ages of 19 and 54, and a slight majority are women (53%) (DWD, 2018 Workforce Programs Report). According to DWD, in SFY 2018, at least 50% of participants had a high school diploma or less upon entry into the program. Figure 6 shows the number of participants receiving career or training services. In SFY 2018, the WIOA Adult program served 9,990 participants, and 94.4% of adult participants were enrolled in more than one core program (Indiana Statewide Performance Report, 2018, ETA-9169). At least 33% of adult participants enrolled in a training program. In 2018, the cost per adult participant was $1,100 for career services and $379 for training services (USDOL, 2020).

The number of clients receiving career or training services has fluctuated over the last few years. However, in SFY 2020, there was a sharp decline in the number of participants served, due in part to the COVID-19 pandemic. The WDB interviewees indicated that some services remained open for virtual learning. Other factors contributing to the decline in career services are a low unemployment rate, increased focus on training participation, and self-service methods. As indicated by the interviewees, some clients would instead search for the information themselves rather than seek staff assistance at a WorkOne Center. Given that the state has seen increased layoff activity from WARN notices and TAA and Rapid Response events in 2020, it is possible that increased participation in WIOA will follow in the coming months, if the economic crisis continues.

**FIGURE 6.**
WIOA ADULT PARTICIPANTS




**SOURCE:** Indiana Statewide Performance Report, WIOA Adult, 2015 - 2019; USDOL, ETA-9169 and ETA-9172; DWD, Annual Reports 2015 - 2018.

*The data collected in SFY 2016 may be incomplete and incongruent as it was soon after the passage of WIOA. Under WIOA, the following elements changed: the definition for participants served, program groups, and the services provided.

# WIOA TITLE 1 PROGRAM PARTICIPANTS: DISLOCATED WORKERS

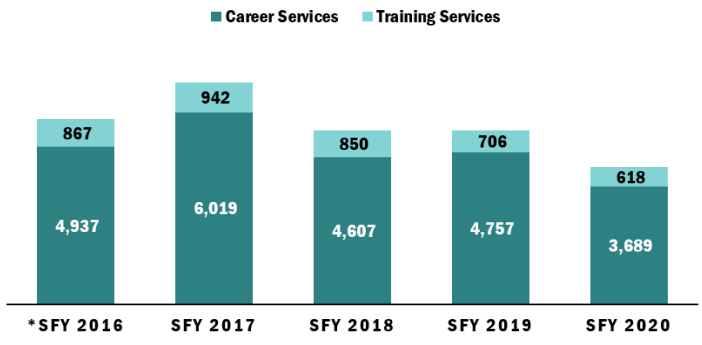
The WIOA Dislocated Worker program is designed to help workers who have been terminated or laid off (or have been notified of a termination or layoff) and transition them back to work as quickly as possible.

THE DISLOCATED WORKER program, serves between 5,000 and 7,000 displaced workers annually. Figure 7 shows the number of clients served by the dislocated workers program. In SFY 2018, the program served 5,463 participants. Of the 5,463 participants, less than 13% of dislocated workers participated in a training program compared to 33% of WIOA Adult program participants.

Historically, the number of dislocated workers who participate in workforce training is low. Unlike the adult program, the dislocated worker population tends to be older adults with the following barriers: less educated, no recent experience in looking for a job, employed in one specific career or sector for a long period of time, occupational skills possessed and/or obtained may be obsolete or not in demand, and less able to transition to a new skill (DWD, Strategic Workforce Plan, p. 120).

Other factors contributing to the low participation in training services are the time commitment, prerequisites to enrollment, and delayed employment. According to DWD's ETPL, the average length of training is 43 weeks. For clients with dependent children, program participants may be discouraged from enrolling in a training program because of the time commitment and delayed employment. Dislocated workers may also need other supportive services to deal with the stress of being laid off and moving to re-employment. According to DWD, providing early resources and program support will help displaced workers transition to re-employment quickly. Programs like Rapid Response and TAA also provide support for dislocated workers. Additionally, if the workers become enrolled in TAA, their training outcomes will be more consistently tracked by that program.

**FIGURE 7.**
WIOA DISLOCATED WORKER PARTICIPANTS



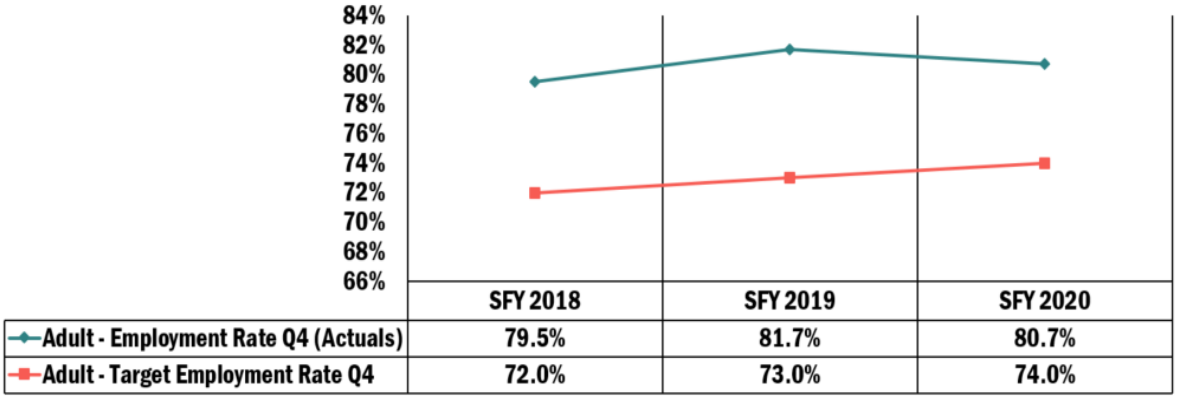

**SOURCE:** Indiana Statewide Performance Report, WIOA Adult, 2015 - 2019; USDOL, ETA-9169 and ETA-9172; DWD, Annual Reports 2015 - 2018.

*The data collected in SFY 2016 may be incomplete and incongruent as it was soon after the passage of WIOA. Under WIOA, the following elements changed: the definition for participants served, program groups, and the services provided.

## Program Performance

The key federal performance indicators for WIOA Adult and Dislocated Worker programs include the participant employment rate two and four quarters after program exit, median earnings two quarters after exit, credential attainment, measurable skill gains, and effectiveness in serving employers. Nearly all regions met federal performance indicator targets in SFY 2019 for employment rate, credential rate, and median earnings (DWD, Regional Performance Metrics). In addition to the federal performance indicators, the state performance metrics look at client engagement by measuring the total number of clients served by region compared to the total number of individuals in that region who are unemployed or underemployed. The state also looks at job connectedness by measuring client employment one quarter after program exit as well as median wage change. Both the federal and state performance metrics dashboards can be viewed at https://www.in.gov/dwd/RPM.htm. For the last five years, the state has performed above the baseline target rate in each performance metric. On average, the WIOA Adult program has performed above the negotiated target rate by 10%. Also, over the past few years, the Adult program has performed above the target baseline in the area of measurable skill gains. However, the difference between program outcomes and negotiated target has begun to close as the programs serve clients with the most significant barriers to employment (see Figures 8-11).

**FIGURE 8.**
WIOA ADULT EMPLOYMENT RATE QUARTER 4

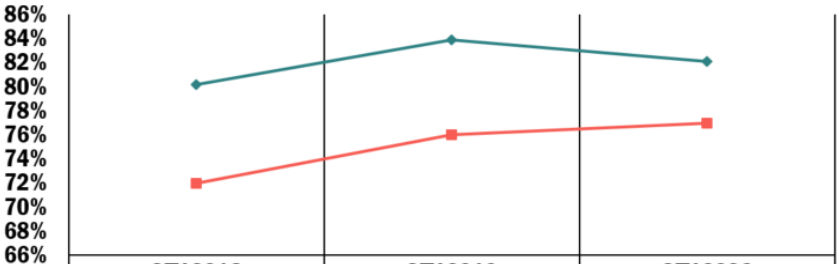



| | SFY 2018 | SFY 2019 | SFY 2020 |
|---|---|---|---|
| Adult - Employment Rate Q4 (Actuals) | 79.5% | 81.7% | 80.7% |
| Adult - Target Employment Rate Q4 | 72.0% | 73.0% | 74.0% |

[3]**SOURCE:** Reported in the USDOL Statewide Performance Report, Indiana, 2017 – 2019.

[3]USDOL Statewide Performance Report: Employment Rate Quarter 4th - Cohort Period (7/1 – 12/31) is based on the 1st and 2nd quarter of the previous state fiscal year.

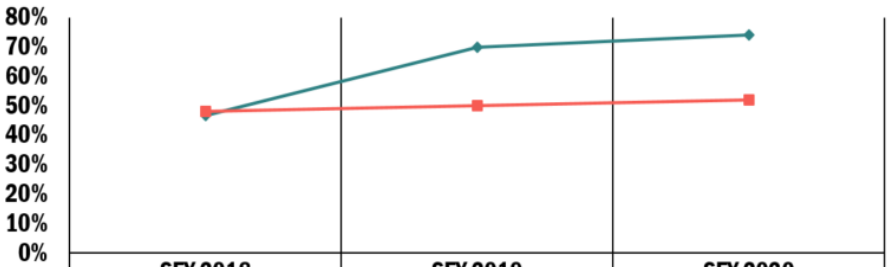
## FIGURE 9.
WIOA ADULT - EMPLOYMENT RATE QUARTER 2




| | SFY 2018 | SFY 2019 | SFY 2020 |
|---|---|---|---|
| Adult - Employment Rate Q2 (Actuals) | 80.2% | 83.9% | 82.1% |
| Adult - Target Employment Rate Q2 | 72.0% | 76.0% | 77.0% |

[4]**SOURCE:** Reported in the USDOL Statewide Performance Report, Indiana, 2017 – 2019.

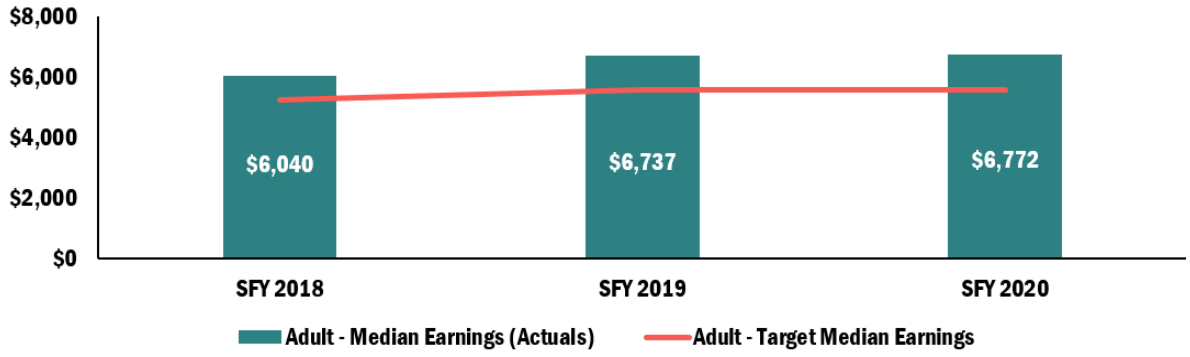
## FIGURE 10.
WIOA ADULT - CREDENTIAL RATE




| | SFY 2018 | SFY 2019 | SFY 2020 |
|---|---|---|---|
| Adult - Credential Rate (Actuals) | 46.5% | 69.9% | 74.0% |
| Adult - Target Credential Rate | 48.0% | 50.0% | 52.0% |

[5]**SOURCE:** Reported in the USDOL Statewide Performance Report, Indiana, 2017 – 2019.

## FIGURE 11.
WIOA ADULT - MEDIAN EARNINGS




[6]**SOURCE:** Reported in the USDOL Statewide Performance Report, Indiana, 2017 – 2019.

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[4]USDOL Statewide Performance Report: Employment Rate Quarter 2nd - Cohort Period (7/1 – 6/31) is based on the state fiscal year.

[5]USDOL Statewide Performance Report: Credential Rate - Cohort Period (7/1 – 12/31) is based on the 1st and 2nd quarter of the previous state fiscal year.

[6]USDOL Statewide Performance Report: Median Earnings - Cohort Period (7/1 – 6/31) is based on the previous state fiscal year.

DWD established state performance metrics to gauge program performance, improve efficiency, and improve participant outcomes. The state performance metrics are designed to complement the existing federal reporting requirements. Local WorkOne Centers also use a client check-in system that allows the DWD to track a client's progress throughout the program. The DWD works with local WDBs to set targets for each region. The state performance metrics are:

- **Engagement Rate:** The percentage of individuals in a region who are meaningfully engaged with a WorkOne Center compared to the total number of unemployed and underemployed individuals in a region.
- **Job Connectedness Rate:** The percentage of WIOA clients who are in unsubsidized employment within the first quarter after exit from the program.
- **Wage Change:** This metric determines the median earnings change for WIOA clients in a region who is in unsubsidized employment during the second quarter after exit from the program (DWD, DWD Policy 2018-02, State Performance Metrics).

## Participant Success

A client's success does not necessarily depend on one program or service alone, but rather a combination of services that address the client's needs and result in obtained and sustained employment. Although the WIOA Adult and Dislocated Worker programs are the core programs, these programs are interconnected and interwoven with other core and partner programs.

## Employer Engagement

Another primary indicator of performance is a program's effectiveness in serving employers. The program serves local businesses by providing skilled workers, referring qualified job seekers, filling job orders, and providing tailored work-based learning strategies. WorkOne Centers offer cost-effective and convenient ways to connect thousands of job seekers to employers across the Indiana. See Figure 12 on the following page for some of the employer engagement programs discussed by WDB interviewees, or found in LSA's research.

## Funding

The WIOA Adult and Dislocated Worker programs are federally funded based on a formula that considers relative unemployment and poverty between states. Indiana's funding allocations for the programs have decreased since the WIOA authorization. The funding formula allocation was similar for WIA, and funds decline due to declining unemployment during an economic recovery. Now, with the massive increase in unemployment due to the COVID-19 pandemic, regions in SFY 2021 may be faced with providing WIOA Adult and Dislocated Worker program services to more unemployed Hoosiers[7] with fewer

[7]Based on a comparison of initial and continued UI claims in July 2020 compared to July 2015. If the regions see similar increases in the number of people seeking services as are filing unemployment claims, regions could see a potential 13-fold increase in the number of unemployed Hoosiers seeking services from 2019 to 2020. This compares unemployment claims for initial and continued claims from July 2020 against claims made in July 2019.

resources compared to SFY 2016. WIOA Adult funding has decreased 18% from SFY 2016 levels and WIOA Dislocated Worker funding has decreased by 24%. Because funding allocations are based on prior years' unemployment levels, current SFY 2021 funding is based on Indiana's low unemployment levels in 2018 and 2019.

In response to decreased federal funding following the 2009 recession, some regions have downsized staff and reduced programming and trainings covered by WIOA funds. Regions have also sought other funding sources: federal grants from the USDOL, state funding from NextLevel Jobs and WorkIN (while it was still available through SFY 2020), and through private, community, and philanthropic funds. Braiding sources of funding and administering multiple grants increases the administrative burden on staff while less funding is available for those purposes. State programs such as NextLevel Jobs do not come with additional administrative support or funding at the region level. The combined state plan and WIOA serve as the overarching federal program that has been the foundation for regional and local staff infrastructure, basic program metrics, and training requirements.

However, from a local perspective, the WIOA programs are only a small part of how they define their work and programs. That is partially due to limited and shrinking funding in recent years. Figure 13 shows the historical funding for the programs.

**FIGURE 12.**
EMPLOYER ENGAGEMENT PROGRAMS DISCUSSED BY WDB INTERVIEWEES

1

**CATAPULT INDIANA**
Catapult Indiana, administered by Conexus, is a manufacturing training program. This program teaches basic work skills for introductory manufacturing jobs to provide career pathways to the manufacturing industry. The program gives participants hand-on experience and paid training opportunities that may result in manufacturing positions (DWD, Strategic Workforce Plan, p. 82).

2

**INDIANA FEDERATION FOR ADVANCED MANUFACTURING EDUCATION (INFAME)**
This program partners with colleges, local schools, trade schools, and regional manufacturers to implement career pathways, apprenticeships, and education programs that aims to create a pipeline of highly skilled workers (DWD, Strategic Workforce Plan, p. 82).

3

**EMPLOYER TRAINING GRANT**
The Employer Training Grant reimburses employers who train, hire, and retain new workers to fill in-demand jobs. The grant will reimburse employers up to $5,500 per employee who is hired and trained for six months, up to $50,000 per employer (Indiana Career Ready Website). This program has received new funding and was recently expanded in light of the current pandemic and economic crisis.

4

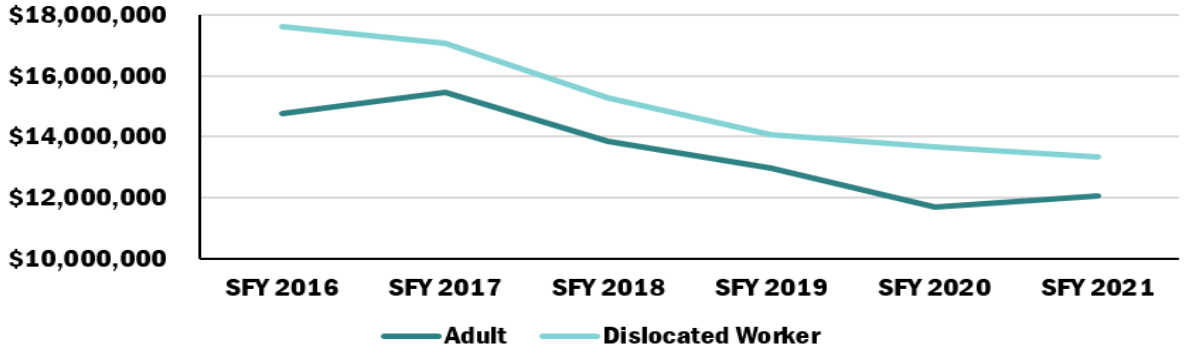
**WORKER OPPORTUNITY TAX CREDIT (WOTC)**
The Worker Opportunity Tax Credit is a federal tax credit that encourages businesses to hire and retain veteran workers and other eligible populations. Employers may apply this tax credit to an unlimited number of new hires who can qualify for the tax savings, up to $9,600 per eligible employee. The WOTC could reduce the cost of private businesses and non-profits to hire and train employees.

5

**COOK MEDICAL**
This program allows employees to earn a certificate in seven programs, including biotechnology, business administration, hospitality, and various computing and informatics tracks through the degree programs with Ivy Tech Bloomington.

**SOURCE:** WDB interviews and Indiana Strategic Workforce Plan, Indiana Career Ready Website.

**FIGURE 13.**
INDIANA WIOA FEDERAL ALLOTMENTS FOR ADULT AND DISLOCATED WORKER PROGRAMS




| in Millions | SFY 2016 | SFY 2017 | SFY 2018 | SFY 2019 | SFY 2020 | SFY 2021 |
|---|---|---|---|---|---|---|
| Adult | $14.8 | $15.5 | $13.9 | $13.0 | $11.7 | $12.0 |
| Dislocated Workers | $17.6 | $17.1 | $15.3 | $14.1 | $13.7 | $13.3 |

**SOURCE:** Federal Register, 2016, 2018, and 2020.

## COVID-19 Funding Implications

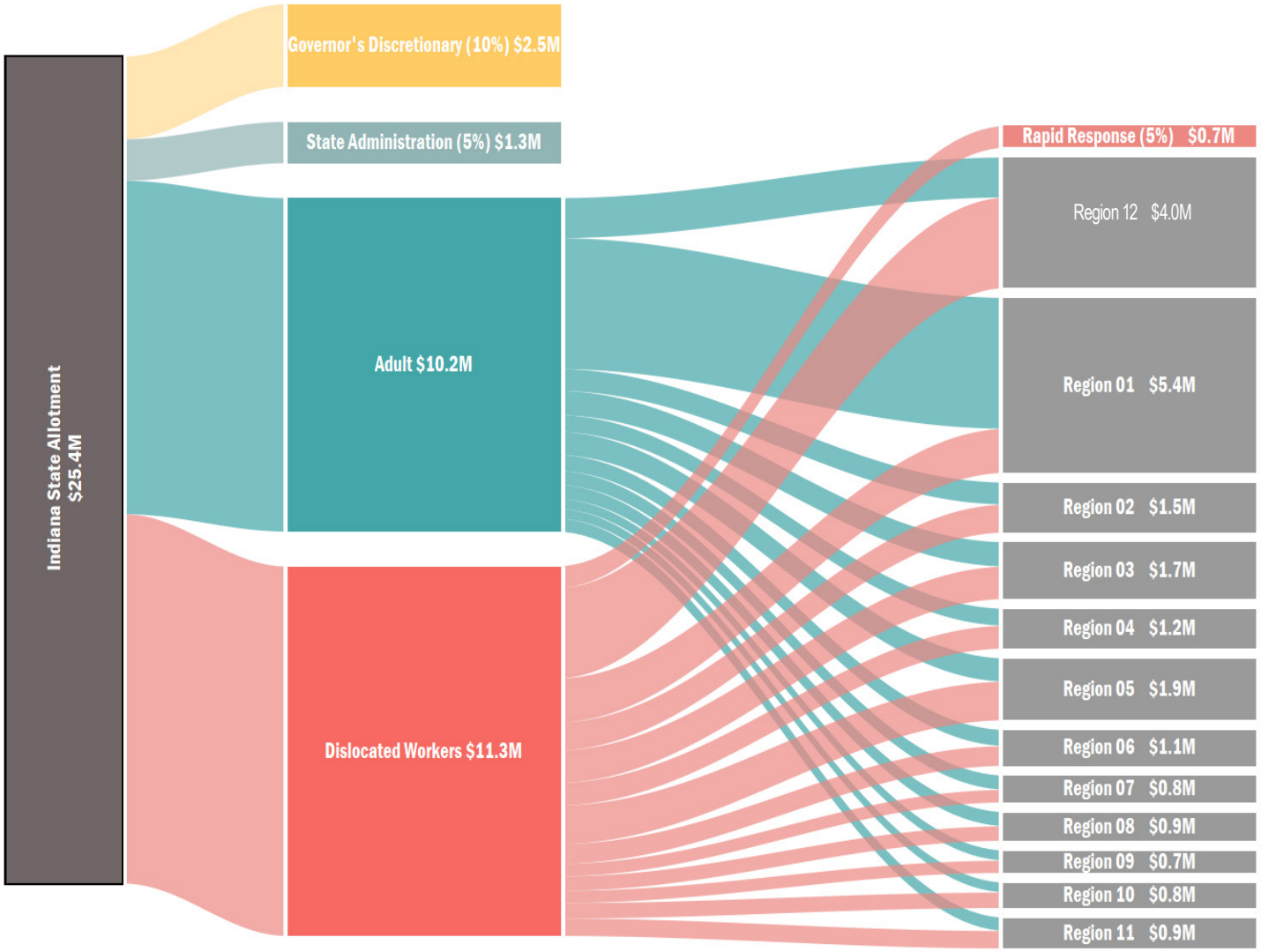
It is possible that there will be an increase in future WIOA dollars related to the massive increase in unemployment due to COVID-19 in SFY 2022 and beyond; however, that increase depends on the overall federal appropriation level for future years and how Indiana's unemployment numbers compare with other states. If the federal appropriation does not increase, high unemployment across the country will limit any increases in state funding. The state has recently received emergency grant funding from the federal government due to COVID-19. Indiana received WIOA National Dislocated Worker Grants/National Emergency Grants (NEGs) in 2020 for $1.665 million[8] and $6.66 million. The state also decreased the amount of WIOA funding it usually holds back from the regional allocation for rapid response activities from 10% to 5% of the SFY 2021 allotment to allow more money to flow to the regions (DWD, 2020).

[8]The $1.66 million grant will be sub-granted to the regions and will provide for wage support to dislocated workers in roles related to the disaster recovery. Examples of use include food banks, and delivering food and medicine to elderly or high-risk populations.

## Regional Distributions

Figure 14 shows how the state's allotment for WIOA Adult and Dislocated Worker is distributed. The state allocates 75-80% of funding to the workforce regions that administer the programs based on formulas similar to the federal allocation between the states.[9] Funding decreases at the local level have been greater for some regions than for others. Region 1 in northwest Indiana has seen a 76% increase in WIOA Adult funding since 2015 due to higher relative unemployment in the region, while the remaining regions have seen an average 44% decrease in

**FIGURE 14.**
WIOA ADULT AND DISLOCATED WORKER FEDERAL FUNDING, SFY 2021

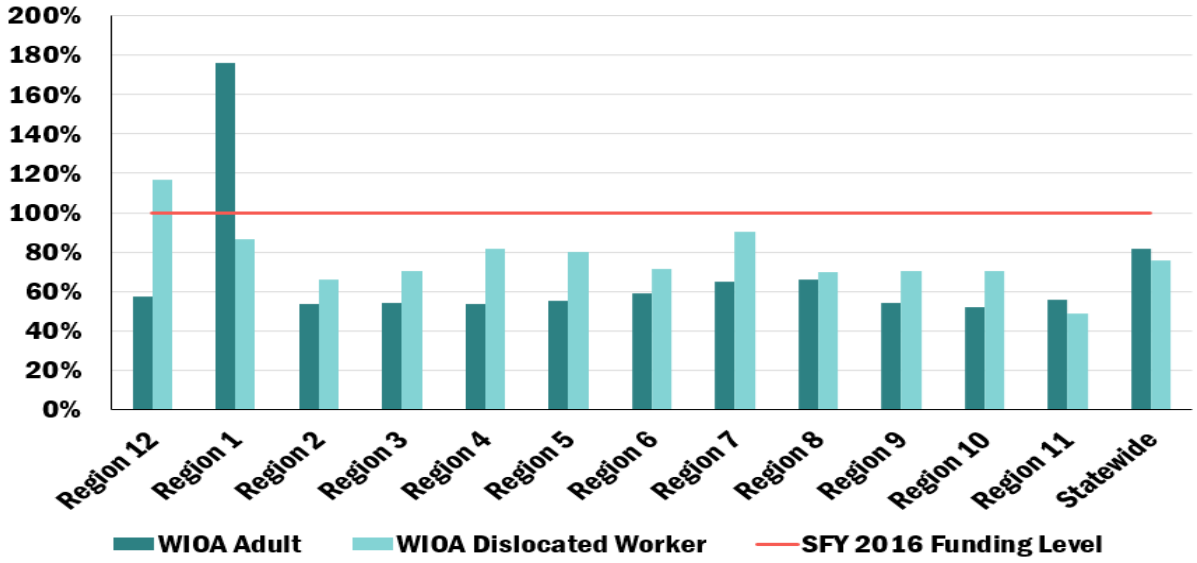



**SOURCE:** DWD, SFY 2020 WIOA Formula Allocations.

[9] The WIOA Adult allocation is based on unemployment and the number of adults in poverty. The Dislocated Worker allocation is based on insured unemployment data, unemployment concentrations, plant closing and mass layoff data, declining industry data, farmer-rancher economic hardship data, and long-term unemployment data. Workforce regions are able to shift money between the WIOA Adult and Dislocated Worker programs if needed.

WIOA Adult funding over the same period, a decrease ranging between $217,000 and $912,000 for the other regions (see Figure 15). Region 12 which encompasses Marion County, also called Employ Indy, is the only region to have higher Dislocated Worker funding in SFY 2021 compared with SFY 2016 (17% increase). The other regions have seen funding decreases between $42,000 and $559,000 between SFY 2016 and SFY 2021.

**FIGURE 15.**
CHANGE IN REGIONAL WIOA FEDERAL FUNDING: SFY 2021 FUNDING AS A PERCENT OF SFY 2016 FUNDING




**SOURCE:** DWD, SFY 2015 and SFY 2020 WIOA Formula Allocations.

## Conclusions

### *Finding Area: COVID-19*

#### Challenges

Regions have had to pivot between serving clients at a time of low unemployment to high unemployment with low WIOA funding. At the same time that WIOA funds have been decreasing, the transition away from WorkIN to NextLevel Jobs has provided less flexibility for regions in trying to help clients access training dollars. Regions expressed difficulty in enrolling additional people into programs while the offices were closed during the COVID-19 pandemic, and some expressed frustration at lost training funds when some clients were not able to finish the training they were receiving before the end of the program year (Oneal, et al., 2020). Once the WorkOne Centers reopened, people were still not required to visit a WorkOne Center in person when they had received unemployment insurance payments for four weeks, as is required under RESEA. In the short run, this may make it more difficult for the regions to enroll new clients in WIOA, even as the number of unemployed Hoosiers has increased so dramatically as a result of COVID-19. According to data provided by DWD, between April and June 2020, both the WIOA Adult and Dislocated Worker programs saw more than a 20% decrease in the number of participants served compared to the previous quarter.

### Potential Solutions

Certain regions had more capacity to switch to virtual services than others in the spring of 2020. Some held virtual job fairs. One region was able to train people to do COVID-19 testing. Some regions had already begun to develop virtual options because of decreased funding and concerns that some in-person sites might have to close. Another region took advantage of a texting app with telephone capabilities that allowed them to contact clients while their employees were working from home (Oneal, et al., 2020). The regions received administrative funding from DWD to assist in the transition to virtual service and cover other expenses related to COVID-19.

The state's new initiative with federal CARES money for NextLevel Jobs to expand the ETPL will help provide $37 million in additional funding for training through the end of 2020. In addition, the state's Your Next Step initiative aims to connect individuals with state resources available to help them find a new job, find education and training, or other services that individuals and families may need to overcome challenges related to the economic fallout of COVID-19.[10]

## *Finding Area: Focusing on the Individual*

### Challenges

The federal and state workforce programs are administered at the local level by a variety of program partners. The programs are complicated and have requirements for enrollment, reporting, monitoring, participation, and funding. These requirements create challenges for successful program implementation that focuses on the individual, as case managers and clients must navigate these systems. Historically, the agencies worked in silos. Local offices and staff have leveraged dollars and supportive services as best they can without consistency from federal funding.

### Potential Solutions

WIOA's requirement to create a memorandum of understanding between programs brings program leaders together and has led to increased communication between partner programs. The state's current strategic plan has set clear intentions to improve collaboration among agencies, partner programs, and employers, yet clear burdens remain.

The strategies laid out by the state plan to achieve the goals of the workforce system and overcome administrative challenges include: data sharing, co-enrollment, co-location, cross-training, and employer engagement. Where successfully implemented, these strategies will help the state reach its workforce goals: to serve individuals rather than focusing on programs; integrate state systems; focus resources on prevention and early intervention; maximize use of state and federal resources; and build relationships between businesses, community partners, and government agencies (Strategic Workforce Plan, pp. 36-37).

Ongoing focus on staff training and professional development, co-locating partner programs when possible, creating a successful referral process, and co-enrolling eligible clients in multiple programs continue to be important ways to help clients achieve

[10]Your Next Step: Indiana's Hub for Rapid Recovery can be found at https://yournextstepin.org/.

success. Local regions expressed having more success referring clients to other programs and co-enrollment when programs were co-located, and when staff were well trained and had built good relationships with program staff in other areas. Regions often reported having very strong working relationships with certain programs including Adult Education, but having more difficultly with communication and the working relationship with cross-agency programs, such as those administered by the FSSA (Oneal, et al., 2020).

Data sharing has the potential to provide insight into which programs and services provide sustained results, to provide better understanding of the people participating in government programs, to improve client outcomes, to identify people who fall through the cracks, and to allow more efficient use of government resources. A waiver from the federal government may be needed to allow for more data sharing through WIOA and other programs. It is vital to involve staff with expertise in program and agency data sharing. When initiating data sharing as outlined in the state plan, including entering into a data charter between state agencies and having Management Performance Hub (MPH) cross-reference and analyze data concerning co-enrollment and program outcomes, agencies should be heavily involved in the process to ensure the data is properly used and interpreted. Adequate resources are needed to pursue a common application process. Staff need training to ensure data collection that is consistent across regions and programs.

### *Finding Area: Client Barriers and Employer Needs*

#### Challenges

During field interviews, the regions identified the following barriers to employment among program clients: lack of education, lack of skills, lack of work experience, lack of English language skills, housing insecurity, criminal record, instability in home life, computer illiteracy, lack of internet access, lack of transportation, opioid or other addiction, and the need for child care. Regions also pointed out the need for people to develop soft skills such as interpersonal skills and problem solving skills. While these issues arise in all regions, more rural regions specifically pointed to a lack of internet access, lack of transportation, illiteracy, and opioid addiction (Oneal, et al., 2020).

In recent years, the number of clients served has decreased as unemployment in the state declined. Those clients seeking services through the WIOA Adult and Dislocated Worker programs were those who had the greatest barriers to employment and skills gaps.

#### Potential Solutions

Many regions discussed the importance of supportive services alongside training as the turning point in helping clients reach their goals. Supporting federal and state training funds with sufficient case management support, staff development, and training could improve client outcomes. Regions see the best results in programs (such as the JAG program) where clients received additional support through case management and supportive services.

### *Finding Area: Access to Training*

#### Challenges

The program staff face challenges in administering multiple grants and braiding different funding. In LSA's discussions with the regions, it is apparent that some regions have had great success in leveraging private and local funding, and they have adapted by being flexible. However, the capacity and ability for all regions to succeed in this manner is mixed.

Different grants and funding sources have differing amounts of flexibility in how the funding can be spent and in reporting requirements. This creates challenges for staff and clientele. Trainings covered by NextLevel Jobs are more limited and require a higher wage threshold and in-demand status to be covered than what was covered by WorkIN, and they differ from those covered by the WIOA Adult and Dislocated Worker programs. Managing, navigating, and tracking different grant and funding sources to provide a client the services that they need requires employee hours and a knowledgeable staff in order to leverage other dollars. In addition to managing multiple funding streams, regions are required to meet federal monitoring and reporting requirements, adding a further administrative layer to the programs.

Additionally, regions have been experiencing decreases in WIOA Adult and Dislocated Worker funding, are working with limited staff, and are able to cover fewer trainings with WIOA dollars. Some money for training is available through state training grants, but those programs do not provide any supporting services for clients or additional funding for local regional administration. Individuals can access NextLevel Jobs training dollars without having to visit a WorkOne Center.

NextLevel Jobs training dollars go only to statewide high-wage, high-demand jobs. Training for certain high-wage, high-demand regional jobs are not covered. With the limitation of available trainings through NextLevel Jobs, decreased funding available for WIOA trainings, and high unemployment related to the COVID-19 pandemic, regions will be limited in the amount of training assistance they will be able to provide to clients.

#### Potential Solutions

With federal funding from the CARES Act, the state is increasing funding for NextLevel Jobs by $37 million through the end of the 2020 and adding training eligibility for nearly 50 new certificate training programs. Of the increased funding, $22 million will go to the Workforce Ready Grant and $15 million to the Employer Training Grant (GWC, 2020). Even without increased funds, expanding the flexibility in approved training courses beyond 2020 would benefit local providers.

| Finding Area: COVID-19 | |
|---|---|
| **Challenges** | **Potential Solutions** |
| High unemployment with limited resources.<br><br>WIOA funding has declined due to low unemployment in recent years. | Consider a deadline extension for the added training options allowed now through the federal CARES funding.<br><br>Continue building relationships with businesses, community organizations, and training providers to provide access to additional sources of funding and resources. |
| Closed offices pose a challenge for program enrollment. | Virtual services and client outreach. |
| In-person trainings halted temporarily. | Virtual trainings and job fairs. |
| **Finding Area: Focusing on the Individual** | |
| **Challenges** | **Potential Solutions** |
| Service coordination between programs varies by region, or by staff.<br><br>Ultimately, programs have different:<br>Providers<br>Funding streams<br>Eligibility requirements<br>Definition of terms<br>Training requirements<br>Reporting requirements<br>Data systems<br>Application processes | Provide staff with on-going training to navigate the complexities of working with different government programs. Encourage communication and relationship building between staff working in different programs.<br><br>Provide continued focus on co-locating partner services at WorkOne centers and co-enrolling clients in partner programs when eligible. Focus on creating an effective referral process through staff training, communication between programs, and staff-client relationships.<br><br>Data sharing: This will require dedicated resources and agency buy-in and expertise. |
| **Finding Area: Client Barriers and Employer Needs** | |
| **Challenges** | **Potential Solutions** |
| Employers need soft skills and technical skills.<br><br>Client barriers include:<br>Lack of education and skills<br>Housing insecurity<br>Criminal records<br>Instability in home life<br>Internet access<br>Transportation<br>Opioid or other addiction<br>Child care | State funding for career coaching, additional supportive services, or case management may help clients overcome barriers. This will allow for leveraged dollars with the intent of having a long-term impact on client outcomes. |
| **Finding Area: Client Access to Training** | |
| **Challenges** | **Potential Solutions** |
| Trainings covered by NextLevel Jobs are limited in some areas and require a high wage threshold and state determined “In Demand” status to be covered. These requirements are more restrictive than what was covered by WorkIN, and also differ from those covered by WIOA Adult and Dislocated Worker. | Provide increased flexibility for training to account for regional in-demand jobs within NextLevel Jobs.<br><br>Expand flames methodology to allow state training funding to be more flexible to meet regional demand. |

# WIOA TITLE IV: VOCATIONAL REHABILITATION

PROGRAM OVERVIEW

The federal Vocational Rehabilitation (VR) State Grants program provides matching funds for states to aid individuals with disabilities in training for, obtaining, and maintaining competitive employment.

The VR program is designed to be highly individualized, serving participants with a wide range of physical and mental impairments, and delivering services that are tailored to each participant's own goals, strengths, and needs. Common VR services include counseling, job search and placement assistance, education and training, post-employment support services, transportation, and assistive technology (Congressional Research Service, 2014). States also use VR funds for employer outreach, as well as pre-employment transition services (Pre-ETS) for students with disabilities preparing to enter the labor market or other postsecondary opportunities. The federal VR program is administered and regulated by the Rehabilitation Services Administration (RSA) under the U.S. Department of Education (USDOE), and services are coordinated and delivered by state VR agencies and their contracted vendors.

Congress has appropriated VR funding for over a century, but the modern VR State Grants program was first authorized by Title I of the Rehabilitation Act of 1973. The Workforce Innovation and Opportunity Act (WIOA) of 2014 made significant amendments to the Rehabilitation Act, including adding new statutory goals to the VR program and creating performance accountability measures aligned with the other core grant programs authorized under WIOA. Specifically, the WIOA amendments call for:

- Emphasizing competitive, integrated employment outcomes for individuals with disabilities (i.e. employees with disabilities are paid the same, have the same advancement opportunities, and work in the same settings as able-bodied employees who are similarly qualified);
- Encouraging engagement from employers to increase employment opportunities for individuals with disabilities; and
- Assisting youth and students with disabilities to transition from secondary school to postsecondary education and/or competitive integrated employment.
    - WIOA requires state VR agencies to spend 15% of their VR grant funding on Pre-ETS for students with disabilities.

In Indiana, VR services are overseen by the Bureau of Rehabilitative Services (BRS) under the Family and Social Services Administration (FSSA). BRS operates 22 regional VR offices across four distinct regions covering all 92 counties in the state. Regional VR staff perform functions such as participant intake and case management, including developing an Individualized Plan for Employment (IPE)

with each participant. The IPE is a federally defined document that identifies how the VR agency will coordinate services to help the participant achieve competitive integrated employment shaped by the participant's own career goals, needs, and strengths. Additionally, BRS hired eight youth counselors in 2019 to coordinate Pre-ETS and other services for transition-aged youth. BRS currently provides Pre-ETS in 400 schools (primarily high schools) across all 92 counties, though services vary widely across schools. BRS relies heavily on contracted vendors (often called "employment services providers" or "community rehabilitation providers") to provide the training and career services identified in each participant's IPE.

Similarly, the Pre-ETS program embeds contracted providers (often called "career coaches" or "career counselors") in schools. The contractual relationship between BRS and its vendors has evolved over the past decade, as the state has adjusted its payment model to reward quality participant outcomes as well as incentivize vendors to spend meaningful time with each participant.

### *WIOA Performance Metrics*

Because VR is a core grant program under WIOA, state VR agencies are subject to reporting on the six performance accountability measures listed in Figure 1. For all core WIOA programs, expected performance levels for these measures are negotiated between the state and the USDOL, in coordination with USDOE. In the years since the passage of WIOA, RSA and state VR agencies have been phasing in the data reporting required to calculate and report on these measures. In the program year ending June 30, 2019, RSA only reported on measures 1, 3, and 5 listed in Figure 1 (Rehabilitation Services Administration, 2019). BRS will use the performance data of the initial years of reporting as baselines to set performance goals for future program years.

**FIGURE 1.**
WIOA CORE PERFORMANCE CRITERIA

1. The percentage of program participants who are in unsubsidized employment during the second quarter following exit from the program.
2. The percentage of participants who are in unsubsidized employment during the fourth quarter following exit from the program.
3. The median earnings of participants who are in unsubsidized employment in the second quarter following exit.
4. The percentage of participants who obtained a postsecondary credential or secondary school diploma during participation from the program or within one year of exit, and subsequently enter employment or a postsecondary training program.
5. The percentage of participants in a recognized education or training program who are achieving measurable skills gains toward earning a credential or obtaining employment.
6. Effectiveness in serving employers.

### *State Program Goals*

In addition to state performance targets on the federally established WIOA metrics, Indiana has also identified three overarching goals for the VR program in its most recent Strategic Workforce Plan. These goals are:

1. Purposefully collaborate with the WIOA core programs and other appropriate agencies to provide a client-centered approach to service delivery, and to assist individuals with disabilities achieve their employment outcomes.
2. Increase the number of people with disabilities in competitive, integrated employment.
3. Develop program initiatives and training that adequately support VR staff and community rehabilitation providers in the provision of quality services (Indiana Strategic Workforce Plan).

## Participants Served

In order for an individual to receive VR services, federal policy requires the state VR agency to verify that the applicant meets the three following eligibility criteria:

- The applicant has a physical or mental impairment that constitutes a substantial impediment to employment;
- The applicant can benefit from VR services; and
- The applicant's employment prospects can be improved by VR services in a way that is consistent with the applicant's strengths, resources, priorities, capabilities, and interests (Congressional Research Service, 2014).

Participants who receive Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) benefits are automatically presumed eligible. There are no income eligibility restrictions or other means testing for VR eligibility.

### *Order of Selection*

In the last three years, programmatic shifts and resource constraints have resulted in a declining number of participants served by the traditional VR program in Indiana. BRS implemented an "order of selection" policy in 2017 due to insufficient fiscal resources to serve all eligible individuals (FSSA, 2019). An order of selection is a federally defined process by which a state VR agency must prioritize serving eligible individuals with the "most significant disabilities (MSD)," while deferring lower priority applicants to a waiting list when insufficient resources are available to serve all eligible applicants. Participants of any priority group who were already receiving services before Indiana's order of selection policy took effect may continue to receive services until they exit the program.

### *Participant Counts*

As shown in Table 1, the number of participants receiving VR services under an IPE has fallen from 18,892 in Federal Fiscal Year (FFY) 2016 to 13,945 in FFY 2019 (Indiana Strategic Workforce Plan, 2020). While part of this decline can likely be attributed to improving economic conditions lowering demand for services, 2,637 applicants had been deferred from receiving services due

to order of selection by the end of FFY 2019. Over the same period, BRS has implemented and expanded its Pre-ETS program serving 5,868 students without an IPE in FFY 2018. Although complete Pre-ETS data is not yet available for FFY 2019, the increase in Pre-ETS participants appears to offset the decline in traditional VR participants resulting in an increase in total participants served from FFY 2016 to 2018.

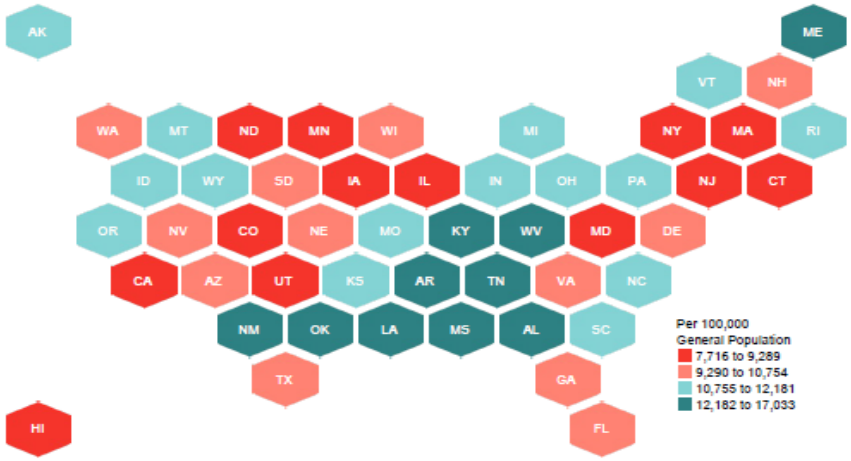
**TABLE 1.**
COUNT OF VR AND PRE-ETS PARTICIPANTS, FFY 2016-2019

| FFY | Participants Receiving VR Services Through an IPE | VR-Eligible Individuals Deferred from Services | Students Receiving Pre-ETS Services without IPE | Total Receiving Services |
|---|---|---|---|---|
| 2016 | 18,892 | 0 | 0 | 18,892 |
| 2017 | 19,025 | 441 | 2,470 | 21,495 |
| 2018 | 15,742 | 1,458 | 5,868 | 21,610 |
| 2019 | 13,945 | 2,637 | Data unavailable | -- |

**SOURCES:** Indiana VR Comprehensive Needs Assessment (2019) and Indiana Strategic Workforce Plan (2020).

Indiana has a disabled population of 899,701, of which about 475,140 are between the ages of 18 and 64 years old (working aged adults). Indiana has about 11,855 working aged adults with a disability per 100,000 working aged population, ranking Indiana 34th highest among the 50 states (U.S. Census Bureau, 2020). Indiana reported serving 14,122 VR participants in SFY 2019, which is about 1.6% of the total disabled population or 2.9% of the working adult disabled population. The percentage of disabled individuals served by the VR programs is low compared to other states. Figure 2 provides a comparison of Indiana's overall population with a disability compared to other states.

**FIGURE 2.**
RATE OF POPULATION WITH A DISABILITY BY STATE (DISABLED PER 100,000 GENERAL POPULATION, 18 TO 64 YEARS OF AGE)




**SOURCE:** U.S. Census Bureau, 5-year estimates (2014-2018).

**TABLE 2.**
VR POPULATION VS. STATEWIDE POPULATION WITH A DISABILITY BY RACE, FFY 2018

| Race/ Ethnicity | % of IN Population with a Disability | % of VR Participants Served |
|---|---|---|
| White | 85.4% | 84.7% |
| Black/African American | 9.7% | 15.0% |
| American Indian/ Alaska Native | 0.4% | 1.5% |
| Other Race(s) | 8.2% | 1.5% |
| Hispanic or Latino (of any race) | 7.0% | 3.4% |

**SOURCE:** Indiana VR Comprehensive Statewide Needs Assessment, 2019.

### *Participant Characteristics*

VR participants are highly heterogeneous in characteristics and needs. The racial and ethnic makeup of participants is diverse, largely tracking the overall racial and ethnic makeup of all Hoosiers with a disability (FSSA, 2019). However, as of FFY 2018, Black/African American participants were somewhat overrepresented compared to the overall state population with a disability, while Hispanic/Latino participants were somewhat underrepresented. The primary disability of each participant is also highly varied, including cognitive impairments, physical disabilities, mental illnesses, vision and hearing difficulties, and others. While many participants' disabilities are developmental or congenital, many others are the result of chronic illness, medical event (e.g. stroke), or accident. Participants can be referred to VR services by a variety of sources, including self-referrals, family or friends, medical facilities and practitioners, employers, and others. Tables 2, 3, and 4 provide an overview of VR participants by race/ethnicity, age, and type of disability.

**TABLE 3.**
VR PARTICIPANTS BY AGE, FFY 2018

| Age Range | % of Participants |
|---|---|
| 14-24 | 39.7% |
| 25-35 | 18.1% |
| 36-46 | 14.6% |
| 47-57 | 16.7% |
| 58-68 | 9.0% |
| 69+ | 1.9% |

**SOURCE:** Indiana VR Comprehensive Statewide Needs Assessment, 2019.

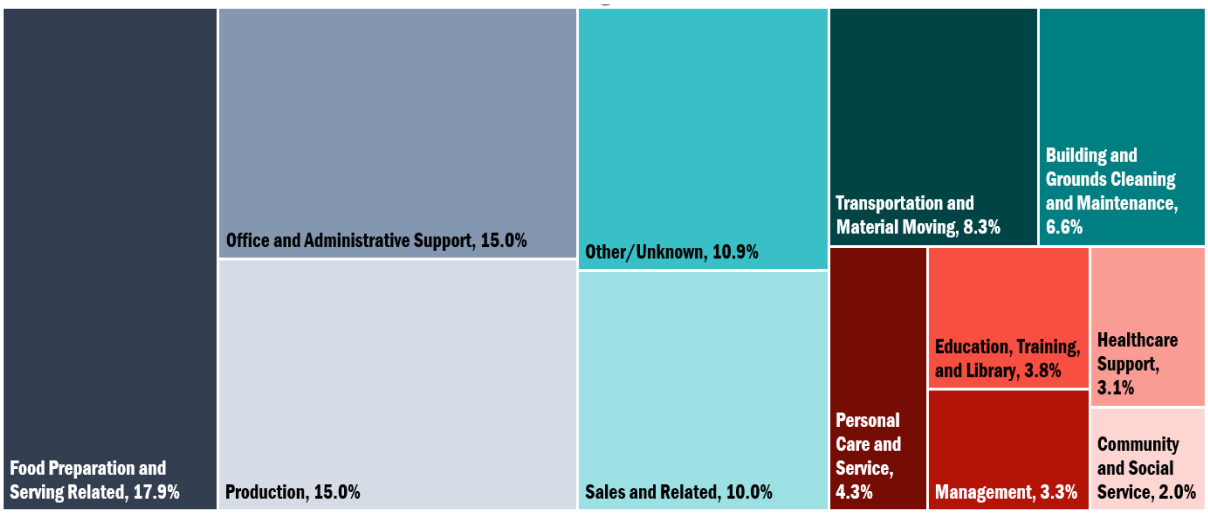
**TABLE 4.**
PRIMARY DISABILITIES OF VR PARTICIPANTS, (ALL CURRENT AND EXITED PARTICIPANTS UP TO 360 DAYS AFTER EXIT)

| Disability Type | % of Participants |
|---|---|
| Intellectual and Learning Disability | 33% |
| Psychological/Psychosocial Disability | 31% |
| Physical Disabilities | 20% |
| Auditory/Communicative Disabilities | 8% |
| Visual Disability | 5% |
| Unknown | 3% |

**SOURCE:** OFMA analysis of program data provided by FSSA (BRS SFY 2020 Quarterly Reports).

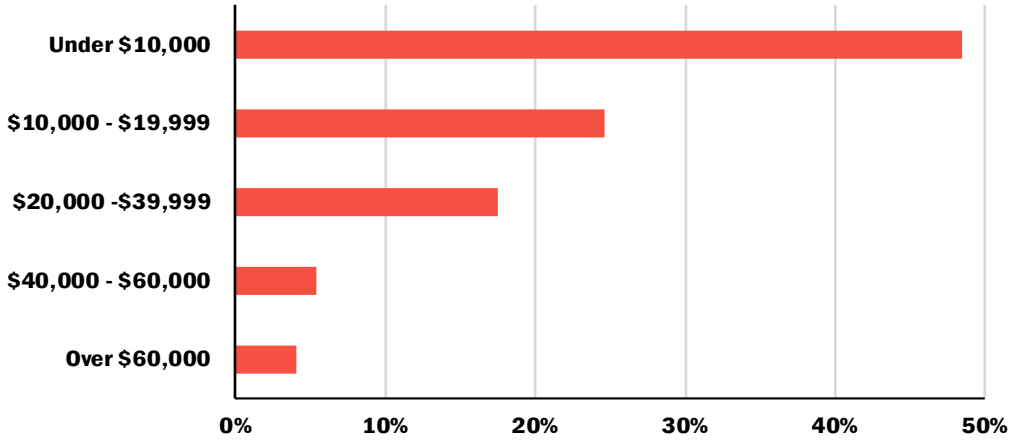
LSA's analysis of the BRS data finds that the vast majority (91%) enter the program with no occupation and no wages. Among those who enter the program employed, there is great diversity in occupations represented. As shown in Figure 3, the most common occupation types are food preparation and service, office and administrative support, production, and sales. While only about 0.3% of employed participants had high-income occupations (with estimated annual wages over $60,000 a year), the remaining 9% of participants entered the program with wages earned between $2,000 and $60,000 a year. Figure 4 provides the frequency of different levels of wages.

**FIGURE 3.**
PARTICIPANT OCCUPATION AT IPE SIGNING (AMONG THE 9% OF PARTICIPANT RECORDS WITH A REPORTED OCCUPATION, CURRENT AND EXITED PARTICIPANTS)




**SOURCE:** OFMA analysis of program data provided by FSSA (BRS SFY 2020 Quarterly Reports).

**FIGURE 4.**
PARTICIPANT WAGES AT IPE SIGNING (AMONG THE 9% OF PARTICIPANT RECORDS WITH A REPORTED OCCUPATION, CURRENT AND EXITED PARTICIPANTS UP TO 360 DAYS AFTER EXIT)




**SOURCE:** OFMA analysis of program data provided by FSSA (BRS SFY 2020 Quarterly Reports).

## Program Funding and Spending

The VR program is jointly funded by the federal and state governments, with the state required to contribute 21.3% of total funding. For SFYs 2020 and 2021, Indiana's state appropriation for VR was $16.1 million each year, enabling the state to draw down approximately $59.5 million per year in federal dollars for a total of $75.6 million in annual program funding. In SFY 2019, reported expenditures per participant were $2,400 for training services and $1,277 for career services (Rehabilitation Services Administration, 2019). Because program spending is reported on a FFY basis, Tables 5 and 6 provide an overview of how VR funds were spent in FFY 2019.

**TABLE 5.**
VR SPENDING BY CATEGORY, FFY 2019

| Spending Category | Amount | % of Total |
|---|---|---|
| Services Provided by State VR Agency/Field Offices* | $9,605,877 | 13% |
| Services Purchased from Vendors | $35,431,532 | 48% |
| Pre-ETS | $5,556,518 | 8% |
| Other | $3,427,097 | 5% |
| Administrative | 19,666,257 | 27% |
| **Total** | **$73,687,281** | |

*(e.g. assessment, counseling, guidance, and placement).

**SOURCE:** RSA-2 Form Submission, FFY 2019.

Among services provided by vendors, approximately three-quarters of spending was for the following seven services: assessment, rehabilitation technology, on-the-job supports, job search assistance, college or university training, miscellaneous training, and transportation. Other than assessment, transportation support was the most common vendor-provided service, benefiting nearly 6,000 participants in FFY 2019.

**TABLE 6.**
VR VENDOR SERVICES BY INDIVIDUALS SERVED AND AMOUNT SPENT, FFY 2019

| Service Category | Amount | Number of Individuals | % of Total |
|---|---|---|---|
| Assessment | $7,199,418 | 8,003 | 20% |
| Rehabilitation Technology | $5,372,480 | 947 | 15% |
| On-the-job Supports: Time-limited | $5,116,134 | 2,307 | 14% |
| Job Search Assistance | $2,834,466 | 2,194 | 8% |
| On-the-job Supports: Supported Employment | $2,286,969 | 1,400 | 6% |
| Four-Year College or University Training | $1,971,488 | 464 | 6% |

| Service Category | Amount | Number of Individuals | % of Total |
|---|---|---|---|
| Miscellaneous Training | $1,539,777 | 716 | 4% |
| Maintenance | $1,408,890 | 1,183 | 4% |
| Transportation | $1,299,113 | 5,862 | 4% |
| Diagnosis and Treatment of Impairments | $948,660 | 463 | 3% |
| Disability Related Skills Training | $943,912 | 197 | 3% |
| Occupational or Vocational Training | $680,763 | 189 | 2% |
| Benefits Counseling | $498,501 | 1,014 | 1% |
| Interpreter | $496,588 | 161 | 1% |
| Technical Assistance | $457,566 | 63 | 1% |
| Graduate College or University Training | $443,596 | 60 | 1% |
| Customized Employment | $275,549 | 37 | 1% |
| Job Placement Assistance | $255,253 | 291 | 1% |
| Junior or Community College Training | $199,351 | 125 | 1% |
| Personal Attendant | $169,308 | 13 | 0.5% |
| Job Readiness Training | $160,177 | 186 | 0.5% |
| Apprenticeship Training | $98,899 | 5 | 0.3% |
| Other Services | $774,674 | 663 | 2% |
| **Total** | **$35,431,532** | **26,543*** | |

*Duplicated count.

**SOURCE:** RSA-2 Form Submission, FFY 2019.

### *State and Federal Funding of VR Services*

In each of the last six state fiscal years, state General Fund appropriations for VR services averaged about $16 million, drawing down an average of $60 million of federal funds based on the matching requirements. However, the federal allocation to Indiana under the VR formula is about $79.8 million, or about $20 million more than Indiana has leveraged in the three most recent bienniums. Indiana is one of only eight states that did not leverage its entire federal grant in FFY 2018 (the most recent year for which federal data is available across all states). When states do not draw down their full federal VR grant, those funds become available for other states to request.

The federal VR grant funding is allocated to each state based on state population and per capita income, and states are required to provide 21.3% of the total funding for rehabilitative services under the federal Rehabilitation Act as amended by WIOA. Fully leveraging the available federal funds for VR services would require about $5.5 million in additional state spending.

Going forward, any additional funding may reduce the waiting list under the order of selection currently in effect. However, additional funding would also necessitate an administrative undertaking to scale up BRS' capacity, including strategic planning, and hiring and training additional staff. Any increase in federal funding would

also increase the total VR spending required for Pre-ETS, which must equal at least 15% of the federal grant.

### *Participant Income Sources*

Participant reliance on other public support programs may be impacted by participation in the VR program. LSA reviewed the BRS data on exited participants[1] that shows that about 40% of participants changed their primary source of support between IPE signing and program exit. As seen in Table 7, between measurement points, participants citing personal income as the primary source of support increased, and those citing family and friends decreased. The slight decline in public support may indicate that VR services offset some use of public support programs. However, a majority of participants with public support receive SSI or SSDI, which are federally funded and administered programs. Thus, any decrease in public support mainly impacts the spending of federal funds.

**TABLE 7.**
PRIMARY SOURCE OF SUPPORT FOR EXITED PARTICIPANTS

| Primary Source of Support | at IPE Signing | at Exit |
|---|---|---|
| Personal Income | 11% | 30% |
| Public Support | 40% | 35% |
| Family and Friends | 46% | 32% |
| All Other Sources | 3% | 3% |
| Unknown | 0.1% | 0.3% |

**SOURCE:** OFMA analysis of program data provided by FSSA.

## Program Challenges

### *Order of Selection*

As previously noted, BRS deferred over 2,600 eligible VR applicants as of FFY 2019 due to the order of selection process that prioritizes serving only applicants with the MSD. While several VR field offices report they work to refer deferred applicants to other available resources, such as local WorkOne Centers, the extent to which these applicants actually receive services and realize positive career outcomes is unclear. In interviews for this report, VR program staff noted that a further consequence of order of selection is that eligible individuals assume they will be deferred and feel discouraged from applying for services, even though they may actually fall in the MSD priority category. BRS expects to remain under order of selection through SFY 2021. However, P.L. 262-2019, Section 4 requires BRS to begin serving all eligible individuals by the end of SFY 2024.

### *Collaboration with other WIOA Programs*

A key goal for the VR program identified in Indiana's most recent WIOA state plan was to provide a client-centered approach to service delivery by better collaborating with other WIOA core programs administered by the DWD. BRS and DWD have made progress on

[1]OFMA received unidentified, duplicated data and removed duplicates by matching seven data fields among the quarterly reports.

this effort, including conducting cross-training for VR and DWD staff "to ensure proper and consistent referrals to and from VR and WIOA core programs (and other appropriate programs) in order to maximize the service options and service delivery for individuals with disabilities" (Indiana Strategic Workforce Plan, 2020). BRS and DWD also received technical assistance from the USDOL to identify strategies for improved referral and data sharing processes. In interviews with regional VR offices, program staff indicated that the level of coordination between VR and WorkOne Centers can vary by region, and it is often dependent on the knowledge level of the individual VR counselor working with a given participant.

### *Staffing, Retention, and Recruitment*

In recent years, BRS has worked to address conditions that caused high levels of turnover and vacancies among VR counselor positions. Reforms included restructuring position duties, reducing education requirements from a master's degree to a bachelor's, increasing starting salary by $4,000, and other efforts (Indiana Strategic Workforce Plan, 2020). BRS also created a VR Counselor Trainee position that guides initially underqualified hires through a nine-month training period before being promoted to a VR Counselor upon successful evaluation. Although retention of VR Counselors has improved as a result of these efforts, BRS still experienced turnover of approximately 30% in VR Counselor positions in 2019. Recruitment of qualified VR Counselor candidates continues to be a challenge, particularly because Indiana only has one university that offers a Rehabilitation Counseling program, which graduates between five and 10 students per year. As of earlier this year, only 52% of BRS' 186 current VR Counselor positions were filled by staff who had been in their positions for more than five years. Twenty-nine percent of positions were either vacant or filled by staff who had been in their positions less than two years. Vacancies and less experienced counselors result in higher caseloads per counselor, particularly among those with more experience, further necessitating the current order of selection period. Table 8 provides a listing of VR staff positions as of early 2020, along with current and projected vacancies.

### *Pre-ETS*

WIOA requires states to earmark 15% of their federal grants for Pre-ETS for transition-aged students. BRS has identified this requirement as a significant fiscal challenge, resulting in insufficient funding available for traditional VR services for eligible participants (Indiana Strategic Workforce Plan, 2020). However, in interviews with VR field offices, some program staff highlighted the newly hired Pre-ETS counselors as a benefit to their operations, having reduced workload for other staff. The shift in spending toward Pre-ETS may be interpreted as an investment in students and young adults with disabilities to jumpstart their career paths; however, it is too soon to predict whether early investment in this group will result in lower demand for VR services later in life.

**TABLE 8.**
VR STAFF POSITIONS AND VACANCIES

| Job Title | Total Positions | Current Vacancies | Projected Vacancies Over the Next Five Years |
|---|---|---|---|
| VR Counselors | 176 | 7 | 35 |
| VR Youth Counselors | 10 | 2 | 0 |
| VR Area Supervisors | 24 | 0 | 5 |
| VR Region Managers | 5 | 0 | 2 |
| VR Case Coordinators | 62 | 0 | 11 |
| VR Area Secretaries | 19 | 2 | 5 |
| Blind/Deaf Programs | 7 | 2 | 3 |
| BRS Management/ Leadership Staff | 10 | 0 | 1 |
| BRS Central Office Staff | 14 | 0 | 6 |

**SOURCE:** Indiana Strategic Workforce Plan, 2020-2024.

### *COVID-19*

The onset of the COVID-19 pandemic brought both challenges and opportunities for the VR program. Prior to the pandemic, every participant intake meeting and many participant services were conducted in-person. Program staff have noted that the transition to fully remote intake meetings and vendor service delivery may have been a benefit to some participants with barriers to transportation access. However, other participants may lack technology access or have a disability that impedes their ability to receive services remotely. Overall, program staff have reported a commendable response by contracted providers to ensure continuity in service delivery. Pre-ETS program staff also reported a largely successful response from its providers transitioning to remote services, but noted that some students have faced an interruption in services due to at least one provider that laid off staff as a result of schools moving to remote learning (Dequis, et al., 2020).

VR staff reported a decline in participant applications in the early months of the pandemic, before returning to pre-pandemic levels by May. BRS has released guidance ensuring funding will be available for assisting participants who lose their jobs specifically due to COVID-19, and that vendors will not be penalized in reimbursement for negative participant outcomes that are a direct result of COVID-19 (Family and Social Services Agency, 2020).

Prior to the pandemic, BRS had intended to begin serving deferred applicants from lower priority disability categories in 2020 (Indiana Strategic Workforce Plan, 2020). These plans have now been delayed, and it is currently unclear how the budgetary constraints imposed by COVID-19 will impact BRS' ability to phase out order of selection deferrals in the coming years.

## Program Outcomes

LSA reviewed BRS data from the first three quarters of SFY 2020 and federally reported RSA data from SFY 2019 to gauge the performance of Indiana's VR program. Due to the limited longitudinal data obtained from BRS, as well as the VR program being in the early stages of WIOA implementation, LSA was unable to reach meaningful conclusions about the program's performance

in terms of WIOA participant outcomes. However, the limited data available provides some evidence of positive outcomes in employment and wages among participants.

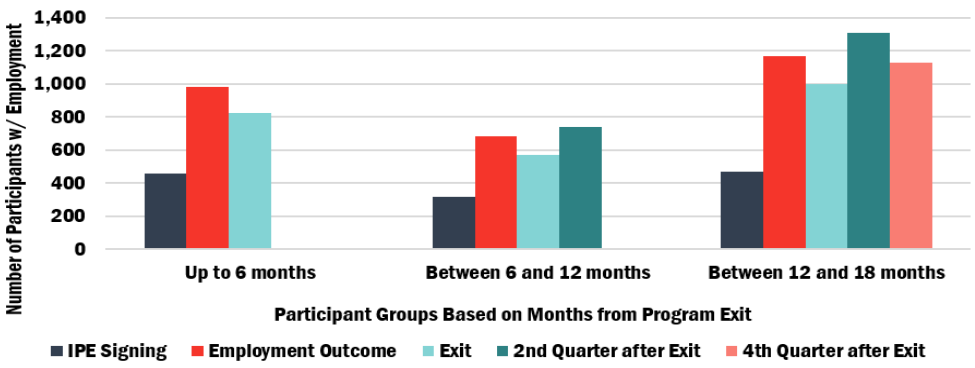
### *Measurable Skill Gains*

As noted previously, the measurable skill gains is a WIOA performance accountability measure that shows the percentage of participants in a recognized education or training program who are gaining identifiable skills toward earning a credential or obtaining employment. VR programs began reporting measurable skill gains in SFY 2018. In SFY 2018, Indiana reported 44 participants with recorded measureable skill gains (Rehabilitation Services Administration, 2018) and increased to 234 participants with recorded measurable skill gains in SFY 2019 (Rehabilitation Services Administration, 2019). These data, along with LSA's review of BRS quarterly reports, seems to indicate that the BRS is incorporating this data collection into its reporting.

### *Employment and Wages for Exited Individuals*

LSA's analysis of exited participants from the 2020 BRS quarterly reports contain records for participants who exited the program up to 21 months post-exit. The data include wage information at several significant points in the participants' program history, including IPE signing, employment outcome, exit, and two and four quarters after exit. However, the vast majority of participants who exited VR services either were no longer interested in VR services, or BRS (or its contractors) was no longer able to contact or locate the participant. This suggests that there is self-selection bias in the second and fourth quarters after exit reporting. Also, there are many inconsistencies in the wages reported by participants more than 18 months after program exit, most likely due to changes in BRS quarterly report data collection standards. Also, changes were made to the program since most of the participants started the program in 2016 or 2017. These records were excluded from LSA's review. Figure 5 shows that the number of participants with reported wages increased between IPE signing and the other points of measurement within the record. The number employed more than doubled between signing an IPE and the initial employment outcome measurement. Program exit is not necessarily a goal for all participants as some may continue to need the supports provided in the program to maintain their employment outcome.

**FIGURE 5.**
EMPLOYMENT OUTCOMES AMONG VR EXITED PARTICIPANTS




**SOURCE:** OFMA analysis of program data provided by FSSA.

While the VR program has increased employment, the majority of participants who exited the program did not report wages at the various measurement points. The decrease in exited participants with wages between employment outcome and exit most likely reflects that those who exit the program are more likely to be medically unable to work, or they are not successful in employment. The estimated average quarterly wage data shows more minimal gains in wages between IPE signing and other measurement points. This average 3% to 6% gain in wages, while positive, is most likely connected to the growth in the number of people with employment at lower overall wages. It is likely not a key outcome of program participation. It is important to note that overall participant outcomes are likely impacted by Indiana's current order of selection deferrals. Because those currently being deferred from services are those with less intensive needs, it is possible that the order of selection could drive down reported rates of employment, wages, skills gained, and credentials attained as BRS continues to prioritize applicants with the most significant disabilities. In this regard, VR acts as more of a social service than a pure workforce development program, making it difficult to evaluate by employment and wage gains alone. The program provides an economic safety net for individuals with complex barriers to employment, and it tailors highly individualized services based on each participant's needs and goals.

Just as there is no "typical" VR participant, there is no one-size-fits-all approach for evaluating participant outcomes. In interviews for this report, VR counselors reported that they often view participant success by the extent to which they reach stabilization (i.e., requiring lower levels of support after starting employment), or the degree to which VR is able to engage with an employer to reach creative accommodations for participants.

## Conclusions

The passage of WIOA upended and reorganized the VR program's priorities, financial constraints, and data collection in Indiana, as it did for all states. Because this transition is still ongoing, it is impractical to make meaningful comparisons of the current performance of Indiana's VR program to previous years. In the years to come, increased reporting on the core WIOA measures will shed light on the extent to which Indiana is improving on employment, wages, skills, and credential outcomes for its participants compared to the baseline measures currently being established. Likewise, as the Pre-ETS program continues to expand, additional data reporting will be needed before meaningful observations can be made about its impact for transition-aged youth.

An immediate concern is Indiana's current order of selection policy, which prevents thousands of eligible workers with disabilities from receiving services, and may have a negative impact on the WIOA performance measures. Prior to the disruptions caused by the COVID-19 pandemic, BRS intended to begin serving deferred individuals in the second priority category, but would still largely remain under order of selection through SFY 2021. It remains unclear how soon BRS will be able to begin serving deferred applicants. BRS' resource constraints predate the pandemic, stemming from the Pre-ETS earmark mandated by WIOA, vacancies and high turnover among VR Counselor positions, and state appropriations precluding the program from leveraging its full federal allocation. Given these constraints, shared efforts between BRS and DWD to improve efficiency through coordinated referrals and service delivery across agencies will continue to be an important component in the implementation of Indiana's Strategic Workforce Plan for 2020-2024.

| Finding Area: Order of Selection | |
|---|---|
| **Challenges** | **Potential Solutions** |
| Insufficient resources to serve eligible individuals in lower-tier disability categories.<br><br>High rates of staff turnover, and difficulty recruiting qualified VR counselors. | Consideration of leveraging additional federal VR grant funding may enable VR to begin serving additional deferred applicants.<br><br>Continue to offer staff development and improved compensation. |
| Difficulty finding qualified applicants for VR counselor vacancies due to lack of rehabilitation counseling programs in state universities. | BRS has relaxed educational requirements for new counselors and created an extended on-the-job training program for new hires. |
| Eligible individuals in most significant disability category are discouraged from applying for VR services. | Order of selection policy could be communicated more effectively to stakeholders, including VR vendors, schools, state agencies, and advocacy groups regarding the order of selection.<br><br>Referrals could be encouraged despite the order of selection. |
| **Finding Area: Pre-ETS** | |
| **Challenges** | **Potential Solutions** |
| Requirement for state to reserve 15% of federal grant for Pre-ETS constrains funds available for traditional VR services. | Consideration of leveraging additional federal VR grant funding may enable VR to meet the 15% Pre-ETS earmark.<br><br>Strengthening services for Pre-ETS students statewide may potentially decrease long-term strain on the traditional VR system by reducing demand for vocational services among this population later in life. |
| **Finding Area: COVID-19** | |
| **Challenges** | **Potential Solutions** |
| High unemployment from COVID-related job losses. | BRS guidance stipulates funding is available to assist participants facing COVID-related job loss, and that vendors will not be held financially accountable for negative participant outcomes that specifically stem from the COVID-19 pandemic. |
| Closed offices and in-person services halted temporarily. | Participant intake and vendor services provided remotely. |
| Participants may lack technology access or have impairment that impedes remote service delivery. | Continue guidance issued for safe-delivery of in-person services when remote services are not feasible. |
| Service disruptions as vendors adapt to remote service delivery. | Vendor creativity, contract flexibility, and outreach to participants for accessing services remotely could be encouraged. |

# CARL D. PERKINS CAREER AND TECHNICAL EDUCATION ACT

The Strengthening Career and Technical Education for the 21st Century Act (Perkins V P.L. 115-224) is the latest reauthorization of federal funding for career and technical education (CTE).

The very first was the Smith-Hughes Act of 1917, and later, the Vocational Act of 1973 and the Carl D. Perkins Act of 1984 (Perkins). Perkins was first reauthorized as the Carl D. Perkins Vocational and Applied Technology Act (Perkins II) in 1990, the Carl D. Perkins Career and Technical Education Act of 1998 (Perkins III), and the Carl D. Perkins Career and Technical Education Act of 2006 (USDOE, 2020).

The program is administered federally by the U.S. Department of Education's (USDOE) Office of Career, Technical, and Adult Education (OCTAE). OCTAE works in partnership with state CTE agencies. The funding is granted to states to allocate toward local schools and CTE districts. In Indiana, the Governor's Workforce Cabinet (GWC) now provides oversight for Indiana's CTE program. As discussed in earlier sections of this report, the latest state plan for CTE was submitted as a combined state plan with WIOA. State plans cover four years with an evaluation or modification every two years.

Since 2018, Indiana has been transitioning oversight of the CTE program and Perkins funding from the State Board of Education to the GWC. Additionally, the GWC and the Indiana Department of Education (DOE) have been working in consultation with other state agencies and local CTE stakeholders to review existing course sequences, dual credit and postsecondary credential alignments, and agreements among secondary and postsecondary institutions. Information on the state plan, CTE

**"The mission of Career and Technical Education (CTE) in Indiana is to ensure an education system of high quality and equity for the academic achievement and career preparation of all Indiana students. Students in Indiana's secondary CTE programs will gain the knowledge, skills, and abilities needed for success in postsecondary education and economically viable career opportunities.**

**SOURCE:** Governor's Workforce Cabinet.

pathways, and the current efforts to align secondary and postsecondary courses can be found online at the website for the GWC.[1]

## Program Overview

Today's CTE programming has evolved from traditional vocational training. Now, CTE is intended to prepare youth and adults for a wide range of career or postsecondary educational opportunities. CTE courses are expected to be connected to programs of study and postsecondary pathways. In fact, a program of study, defined as "a coordinated, non-duplicative sequence of academic and technical content," is now required to lead toward a postsecondary pathway or industry credential. Some of the changes within Perkins V include allowing for increased flexibility at the local level and allowing funding for students at a much younger age in elementary or middle school. There is also a continued and increased emphasis on in-demand skills and sectors. The concept of employability is in the forefront.

Table 1 shows Indiana CTE participants over the last eight years. This includes all enrolled CTE students, regardless of credit attainment or concentrator status. In Indiana, the majority of student participants (85%) are at the secondary level (OCTAE, 2018).

Indiana currently recognizes 64 CTE programs of study (pathways) in 12 career clusters (GWC, 2020). Although the definition for concentrator has varied over time and by state, it will be uniform now with Perkins V. A concentrator will be defined as a secondary level student who completes at least two courses in a single CTE program, or a post-secondary level student who completes 12 credits in a CTE program.

Table 2 and Figures 1 and 2 on the following page, illustrate Indiana and National CTE student concentrators by career cluster.

At the secondary level, concentrators in health and human services are the most common, both in Indiana and at the

**TABLE 1.**
INDIANA CTE PARTICIPANTS

| Academic Year | Secondary | Postsecondary |
|---|---|---|
| 2011-12 | 133,629 | 21,098 |
| 2012-13 | 146,779 | 21,926 |
| 2013-14 | 158,042 | 26,531 |
| 2014-15 | 161,171 | 23,376 |
| 2015-16 | 165,205 | 28,386 |
| 2016-17 | 167,611 | 27,972 |
| 2017-18 | 171,890 | 28,869 |
| 2018-19 | 174,305 | 22,239 |

**SOURCE:** OCTAE, Consolidated Annual Report.

[1] https://www.in.gov/gwc/2431.htm.

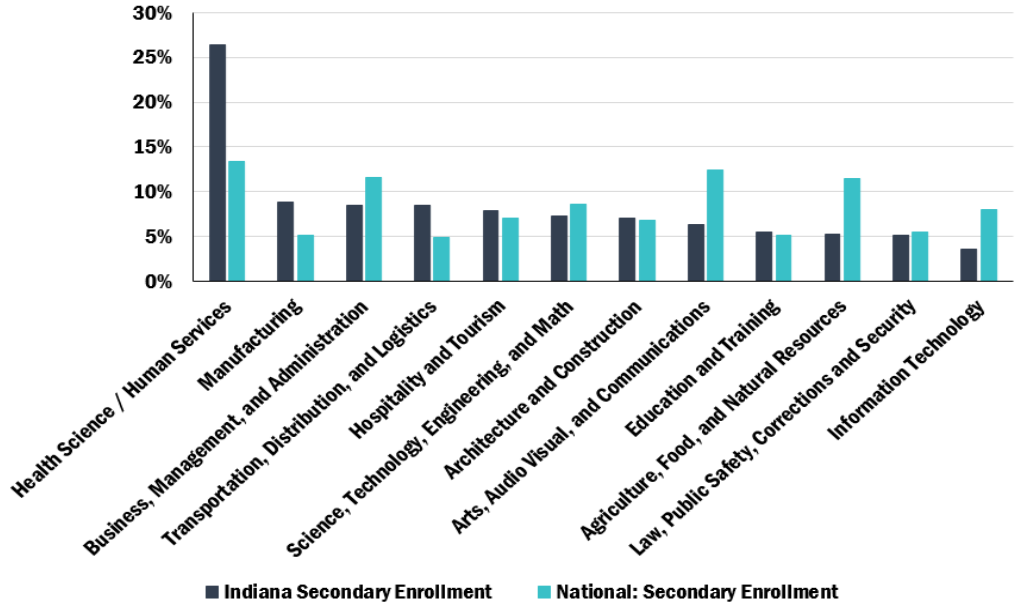
## TABLE 2.

2018-2019 CTE CONCENTRATOR ENROLLMENT BY CAREER CLUSTER

| Career Cluster | Indiana Secondary Enrollment | Indiana Postsecondary Enrollment | National: Secondary Enrollment | National: Postsecondary Enrollment |
|---|---|---|---|---|
| Total Student Concentrators | 23,882 | 5,872 | 3,120,093 | 1,677,351 |

## FIGURE 1.

2019 CTE CONCENTRATOR ENROLLMENT BY CAREER CLUSTER




## FIGURE 2.

2019 CTE CONCENTRATOR ENROLLMENT BY CAREER CLUSTER

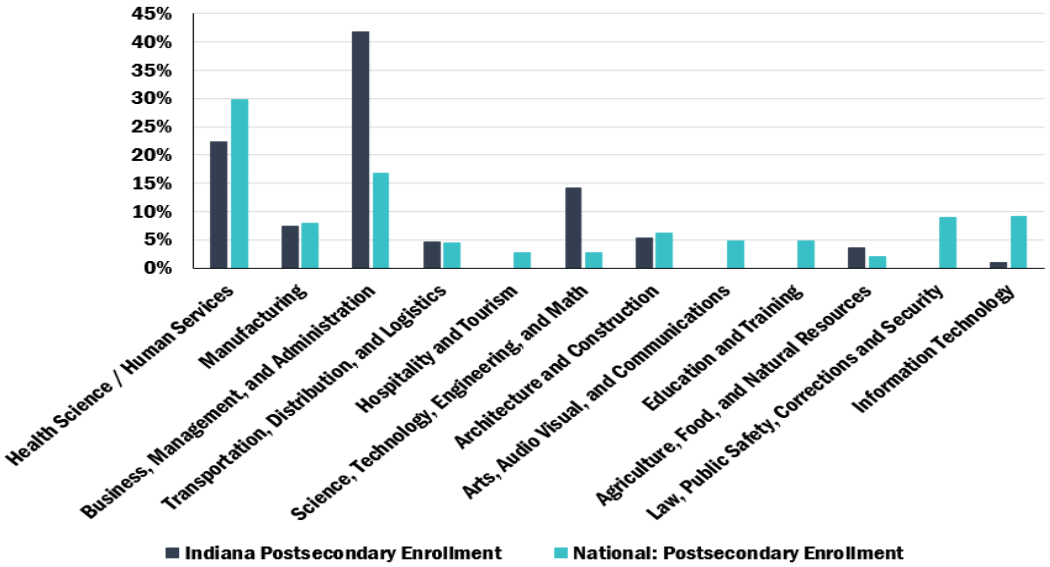



**TABLE 2, FIGURES 1 AND 2 SOURCE:** PCRN: 2018-2019 Consolidated Annual Report. Data last updated on August 3, 2020.

national level. However, the distribution among other clusters is slightly more in Indiana. STEM enrollment among Indiana CTE concentrators is a growing share among postsecondary students. For additional insight on career cluster enrollment by course for Indiana secondary students, see Appendix B Map.

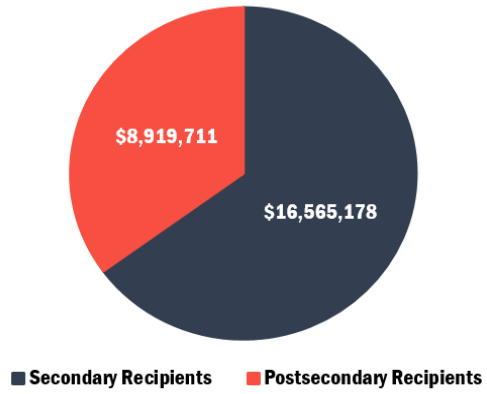
## Federal Perkins V Funding

Nationally, the federal Basic State Grant Perkins V allocation was $1.3 billion in SFY 2019. There are requirements that at least 85% of a state allotment goes to locals, with the allowance that states can also reserve up to 15% for state administration. State administrative funds may be used toward: developing the state plan, reviewing local applications, monitoring and evaluating program effectiveness, assuring compliance with other federal laws, providing technical assistance, and supporting and developing state CTE data systems (ACTE, 2020).

The total grant award to Indiana was $28.5 million (SFY 2019), 85% of which was distributed to local formula funds (USDOE, 2020). Indiana law mandates that a minimum of 60% of the funds received from Perkins will be distributed to the secondary level. During SFY 2019, 65% of the local formula funds were distributed to secondary recipients, and 35% were distributed to postsecondary recipients (Figure 3).

Eligible providers (funding recipients) are examined based on size, scope, and quality of program and study, or pathway. DOE and DWD review and recommend for approval secondary and postsecondary provider recipients. The distribution between secondary and postsecondary funding has remained relatively consistent in Indiana in recent years. At the postsecondary level, CTE is delivered through the statewide community college system of Ivy Tech and Vincennes University (including many regional campuses). CTE is also delivered through four-year degree programs throughout the state.

**FIGURE 3.**
DISTRIBUTION OF SFY 2019 LOCAL FORMULA FUNDS



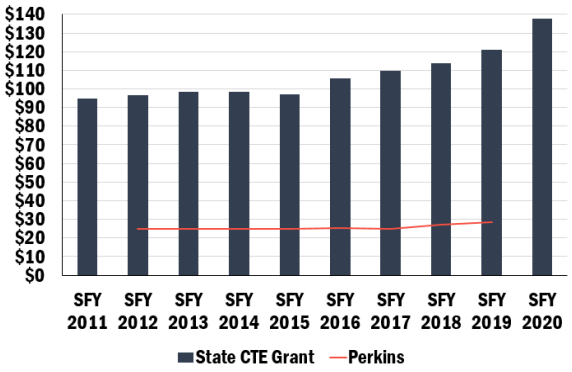

**SOURCE:** Perkins Collaborative Resource Network.

## State Secondary CTE Funding

While CTE career centers and cooperatives do receive federal funding for CTE through Perkins, secondary CTE's largest funding source in the state is the K-12 funding formula. Within the funding formula, the CTE grant awards school corporations based on CTE enrollment. The CTE grant is a unique feature of Indiana's CTE program as most states do not fund CTE separately from other education initiatives (National Center for Education Statistics). Indiana's

tuition support grants are not siloed, so CTE grants can be used to pay for non-CTE expenses and other tuition support grants can be used to pay for CTE expenses. Figure 4 shows the state's secondary CTE grant funding from SFY 2011 through SFY 2020. In SFY 2020, the state awarded nearly $138 million to public high schools for CTE. In that same year, the total statewide Perkins funding for secondary programs was $16.5 million.

**FIGURE 4.**
STATE AND FEDERAL CTE FUNDING SFY 2011-SFY 2020 (IN MILLIONS)



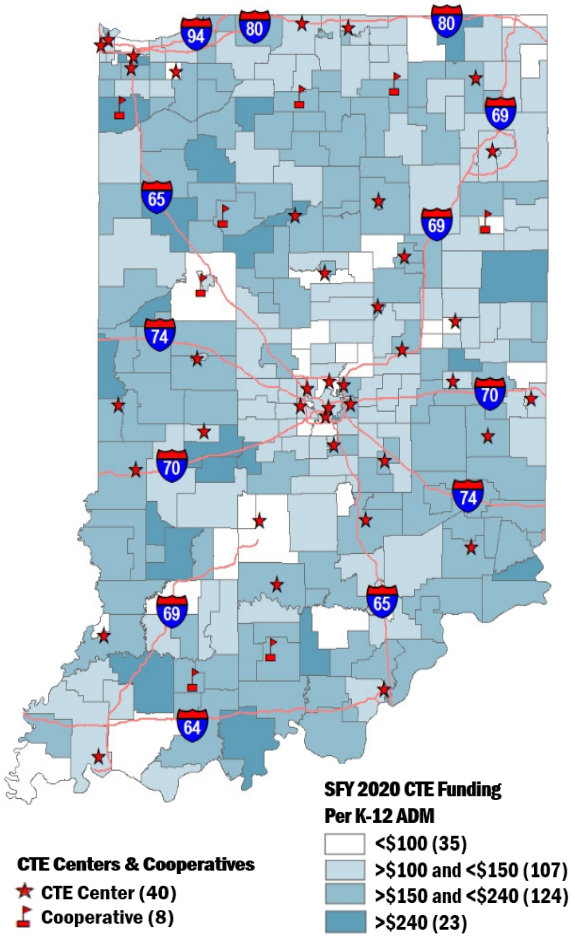

**SOURCE:** OFMA analysis of DOE and GWC program data.

### *Funding and Opportunity by Geographic Area*

Schools receive funding based on the types of course offerings and student enrollment. School corporations vary significantly in how much CTE funding they receive. Map 1 shows SFY 2020 CTE funding per K-12 ADM (a count of the number of students enrolled and expected to attend) in each school district. CTE centers and cooperatives are also shown for reference.[2]

In SFY 2020, on average, school corporations received about $140 per K-12 ADM, with about 80% of schools receiving between $100 and $230 per K-12 ADM. In addition to developing this map, LSA used the National Center for Education Statistics' (NCES) school designations of rural, town, suburb, and city to determine if there were any trends in funding based on a school corporation's location. The results can be found in Figure 5.

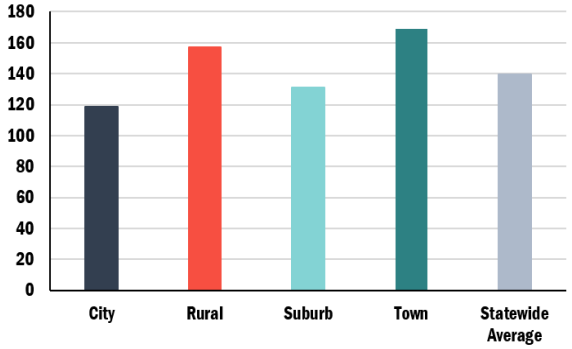
**MAP 1.**
CTE CENTERS AND COOPERATIVES




**SOURCE:** OFMA analysis of DOE and GWC program data provided by MPH.

[2]CTE centers and cooperatives are locations where students from different high schools and school corporations can come together to take CTE courses. By including several school corporations, the costs associated with a given CTE course are spread among the participating school corporations. Furthermore, a single school might only have a few students interested in a particular CTE course, thus making it financially infeasible to offer. By combining a few interested students at each school corporation, CTE centers and cooperatives are able to offer the course.

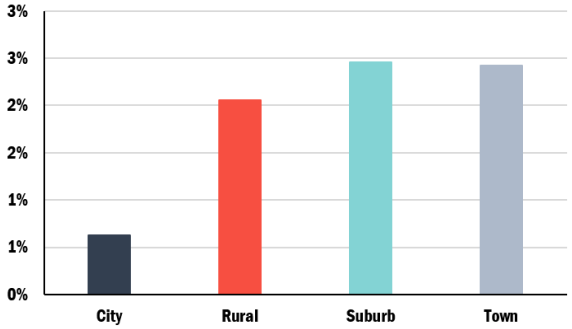
**FIGURE 5.**
CTE FUNDING PER K-12 ADM BY GEOGRAPHIC TYPE




**SOURCE:** OFMA analysis of DOE and GWC program data provided by MPH.

LSA also conducted interviews with GWC staff and some providers. One concern raised in the interviews was that rural areas may not have the same CTE opportunities as schools in more urban areas. This analysis illustrates that rural areas do not receive less CTE funding per student than schools in more urban settings. It was also mentioned that work-based learning (WBL) was available less frequently in rural areas because rural areas may not have the same level of industry access seen in other areas of the state. LSA also calculated the percentage of high school students participating in WBL in SFY 2020. The results can be found in Figure 6.

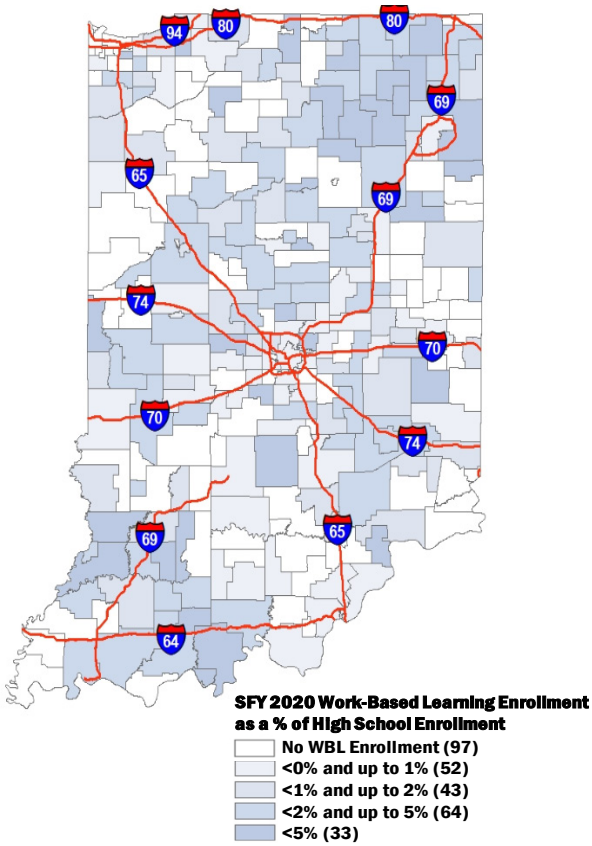
**FIGURE 6.**
PERCENTAGE OF HIGH SCHOOL STUDENTS PARTICIPATING IN WBL IN SFY 2020 BY SCHOOL TYPE




**SOURCE:** OFMA analysis of DOE and GWC program data provided by MPH.

While rural schools do have a lower percentage of students participating in WBL than schools in the town or suburb category, it is the school corporations in cities that have substantially lower rates of WBL participation. Efforts to address the gap in WBL and CTE participation in cities or urban areas could impact student performance in these areas. Map 2 illustrates WBL participation in each school district. The WBL participation across the state varied substantially. While 97 school corporations had no WBL participation, 16% of Peru Community Schools' high school students participated in WBL, a participation rate bested by only the School City of Hobart's 42% participation rate.

**MAP 2.**
SFY 2020 WORK-BASED LEARNING ENROLLMENT AS A PERCENTAGE OF HIGH SCHOOL ENROLLMENT




**SOURCE:** OFMA analysis of DOE and GWC program data provided by MPH.

## Course Categorization/CTE School Funding Formula

The differences in funding across the state shown in Map 1 are a function of CTE enrollment and the course mix offered at each school corporation. The state puts each course into a category. All the courses within a given category are paid the same amount per student enrollment, or, if participation is measured in credit hours, the funding is the same per credit hour. Table 3 shows the funding categories of CTE in SFY 2021.

To differentiate the courses into the high, moderate, and less-than-moderate-value funding categories, the DWD and GWC first associated courses with occupations. Then, the GWC used the "IN Demand Ranking Methodology" to rank each course's occupations on the following five measures:

1. Total job openings (weighted twice): includes growth (new jobs) and replacements
2. Growth in openings in the short and long-term outlook
3. Percentage change in openings (Occupational percentage change from base year to projected year – 10 years out)
4. Real-time labor market information (Online job postings data)
5. Wages

**TABLE 3.**
FUNDING PER COURSE OR CREDIT HOUR, SFY 2021

| Course Category | Funding |
|---|---|
| High Value Level 1 (Per Credit Hour) | $680 |
| High Value Level 2 (Per Credit Hour) | $1,020 |
| Moderate Value Level 1 (Per Credit Hour) | $400 |
| Moderate Value Level 2 (Per Credit Hour) | $600 |
| Less-than-Moderate Value Level 1 (Per Credit Hour) | $200 |
| Less-than-Moderate Value Level 2 (Per Credit Hour) | $300 |
| Pilot | $300 |
| Introductory | $300 |
| CTE Apprenticeship/Work-Based Learning | $500 |
| Area Participation | $150 |
| Preparing for College and Careers | $150 |

**SOURCE:** Governor's Workforce Cabinet https://www.in.gov/dwd/files/2020-2021%20CTE%20Funding%20Recommendations%20Memo.pdf.

Job openings (demand) drive each occupation's rankings, which leads to some median wage variability within each funding category. However, GWC does not allow any course that scores a 3 or a 4 out of a 10 in the wage measure to be in the high-value category. A course with a 1 or 2 score in the wage measure is automatically placed in the less-than-moderate-value category (Indiana Workforce Development, 2019). Finally, the courses that are the most advanced and require a prerequisite course are designated as Level 2, while the prerequisite course is Level 1.

## Changes in Course Categorization Over Time

The course categorization for SFY 2021 represents a substantial change in how secondary CTE courses are funded within the state formula. In SFY 2021, 88 courses were funded at a different level than in SFY 2020, 14 courses were removed from CTE grant eligibility, while 30 courses were added. High, moderate, and less-than-moderate courses were divided into Level 1 and Level 2 courses, and the foundation category was removed. There have been four other years that had substantial changes in the CTE grant structure in the past 10 fiscal years (Figure 7).

**FIGURE 7.**
MAJOR CHANGES TO CTE GRANT STRUCTURE

**SFY 2014:** 11 courses are funded at a different level than in SFY 2013, while another 11 courses are removed from CTE funding eligibility, and an additional 21 courses are added to CTE funding.

**SFY 2016:** Almost all courses are funded at a different level than in SFY 2015, while three courses are removed from CTE funding eligibility and eight are added.

**SFY 2019:** 137 courses are funded at a different level than in SFY 2018, while four courses are removed from CTE funding eligibility and three are added. The nine high, moderate, and less-than-moderate categories are condensed down to three categories.

**SFY 2020:** 25 courses are funded at a different level than in SFY 2019, while six courses are removed from CTE funding eligibility and 13 are added. Of the courses that are newly eligible, seven are categorized as high value.

**SOURCE:** OFMA analysis of DOE and GWC program data provided by MPH.

## Barriers to CTE Participation

### *Special Populations*

There are several potential barriers to CTE participation. Individuals in special populations often have lower rates of engagement in CTE and may face barriers in succeeding in CTE programs. Perkins IV and Perkins V both include the following populations in their definition of special populations as listed in Figure 8 (ACTE, 2020).

While individuals in special populations may face certain barriers, they also might be the populations that could benefit the most from CTE. Recognizing this, Perkins V requires states and local CTE Districts to report data, create improvement plans, and complete needs assessments regarding special populations while requiring states to show continuous progress in improving outcomes for special populations.

**FIGURE 8.**
SPECIAL POPULATIONS

1. Individuals with disabilities
2. Individuals from economically disadvantaged families
3. Individuals preparing for non-traditional fields
4. Single parents
5. Out-of-work individuals
6. English language learners
7. Homeless individuals
8. Youth who are in or aged out of the foster care system
9. Youth with a parent in the armed forces who is on active duty

**SOURCE:** Association for Career and Technical Education.

Table 4 shows three measures of CTE engagement by free/reduced lunch (FRL) status, English language learner status (ELL) and the education track of special education or general education. This data includes all students from 2010 to 2018.

**TABLE 4.**
CTE STATISTICS BY FREE/REDUCED LUNCH STATUS, ENGLISH LANGUAGE LEARNER STATUS, AND EDUCATION TRACK

| | Free/Reduced Lunch Status | | English Language Learner Status | | Education Track | |
|---|---|---|---|---|---|---|
| | FRL | Paid | ELL | Fluent English | Special | General |
| Credits Earned Per Student | 2.87 | 2.75 | 1.74 | 2.75 | 2.98 | 2.69 |
| Participation Rate | 75% | 74% | 56% | 73% | 73% | 72% |
| Earned a Credit in a High or Moderate-Value Advanced Course | 12% | 12% | 7% | 12% | 11% | 12% |

**SOURCE:** OFMA analysis of DOE and GWC program data provided by MPH.

The results indicate that Indiana has been successful in engaging individuals from economically disadvantaged families and individuals with disabilities in CTE programs. Indiana's students on FRL have similar engagement in CTE to those who pay full price for their lunches. Furthermore, students with a disability took more CTE credits than those who did not. The results in both the FRL status and education track largely match the trends in the national data from NCES.[3]

However, ELL students earn fewer credits, have lower overall participation rates, and take fewer advanced courses that are designated as high or moderate value than their peers who are fluent in English. At the national level, NCES data also shows that ELL students are less engaged in CTE. For instance, NCES data showed a 4.4 percentage point difference between those who had English as a first language and those who did not (USDOE). However, it is important to note the participation rates used in the NCES study and the ones reported above are not directly comparable as a student could have a language other than English as their first language but also be fluent in English. Given that Indiana has experienced a rapid increase in ELL in the past decade, narrowing any discrepancy between the ELL and the fluent English population is increasingly important.

## Gender and Ethnicity

LSA also examined credits earned, participation rate, and course value by gender and ethnicity. The results are displayed in Table 5. When comparing CTE statistics on gender, male students have a slightly higher number of CTE credits earned per student and are more likely to earn a credit in a high or moderate-value advanced course. However, female students actually have a slightly higher CTE participation rate.

[3]NCES did not collect data on FRL status; however, it did collect data on the parents' highest education. This could be used as a rough proxy for income. At the national level, students whose parents had a high school education or less had slightly higher participation rates than those who had a bachelor's degree or higher.

**TABLE 5.**
CTE STATISTICS BY GENDER AND ETHNICITY

| | Gender | | Ethnicity | |
|---|---|---|---|---|
| | Female | Male | Minority | White |
| Credits Earned Per Student | 2.61 | 2.77 | 2.22 | 2.84 |
| Participation Rate | 72.4% | 71.4% | 65.0% | 74.1% |
| Earned a Credit in a High or Moderate-Value Advanced Course | 9.9% | 13.4% | 9.8% | 12.3% |

**SOURCE:** OFMA analysis of DOE and GWC program data provided by MPH.

The discrepancy between male and female students in Indiana is less than what NCES data showed at the national level. For instance, males had a participation rate that was 8 percentage points higher than females and achieved a CTE concentrator status at a 6 to 7 percentage point higher rate in the national data.

However, Indiana's minority students do not engage in CTE at the same level as white students. While this is true at the national level as well, the discrepancy is lower at the national level. For instance, Black/African American students had a similar participation rate to white students while Hispanic students trailed by about 3 percentage points. The discrepancy between white students and their minority peers in CTE credits per student was also larger in Indiana than it was at the national level. When these results are taken with our previous finding that cities (where minority populations may be higher) have the lowest funding per K-12 ADM and the lowest rate of WBL participation, it is clear that minority groups are not being reached by CTE in the same way as their white peers statewide.

# REVIEW OF INDIANA'S SECONDARY CTE PROGRAM

## Methodology

While CTE is offered from middle school through postsecondary education, the remainder of this CTE program review examines Indiana's secondary CTE program. LSA's focus on CTE students and course offerings at the secondary school level is based on CTE programmatic/administrative data that was provided to the LSA from the Management Performance Hub (MPH). LSA worked with the MPH and CTE staff from the GWC in obtaining a dataset of students enrolled in public Indiana schools from the 2010 to 2018 academic years. The DOE student data was de-identified, yet it included information for students during their expected year of high school graduation. Each cohort of students from 2010 to 2018 was matched to select data elements from the Commission on Higher Education (CHE) and the DWD. The matched data elements were chosen to offer insight on the postsecondary enrollment patterns and employment outcomes achieved by Indiana's CTE and non-CTE students.

This review of CTE includes analyses of CTE data for cohorts of students before the federal transition to Perkins V, and before the state oversight transition to GWC. While many of the findings are broad and likely still apply, any impact from recent changes to state CTE programing would not be captured.

It should be noted that this review merely examines the descriptive data and finds associations between student groups and outcomes. Due to data and other constraints, LSA did not conduct any econometric modeling or regression analysis at this time. There may be other factors influencing student outcomes that we have not researched such as basic self-selection biases. Students who take CTE courses, specifically advanced CTE courses, may be more likely to perform well and graduate even if they were not involved in CTE. Similarly, students who drop out of high school may not be focused on graduation requirements or being college and career ready; therefore, they do not enroll in CTE or advanced courses.

### *Participants and Student Groups*

For the purposes of analyzing the large volume of data utilized in this report, and to better understand potential outcomes for differing levels of student CTE engagement, students were separated into five different groups. The groups are determined by CTE enrollment cohort information and credential attainment. The groups are comprised of high school students enrolled in Indiana public schools with an expected high school graduation between the 2010 and 2018 academic year.

The five student groups are all-encompassing, meaning they include the entire student population utilized for analysis. Each group is mutually exclusive, meaning that all students fit into one and only one of the five groups (see Table 6).

**TABLE 6.**
STUDENT GROUPS

| | |
|---|---|
| **Non-Participant** | Received credit in zero CTE courses<br>Did not pass an assessment[9] |
| **CTE Participant** | Received credit in no more than two CTE courses<br>Did not receive credit in any advanced CTE courses<br>Did not pass an assessment |
| **CTE Engaged** | Received credit in at least one advanced CTE course (may have also passed an assessment) |
| **Assessment Passer** | Passed an assessment<br>Did not receive credit in any advanced CTE courses |
| **Concentrator** | Received credit in three or more CTE courses<br>Did receive credit in any advanced CTE courses<br>Did not pass an assessment |

**SOURCE:** OFMA.

[4] A CTE Assessment is defined as an assessment taken by a student that is required in order to obtain an industry-based certification, credential, or state license.

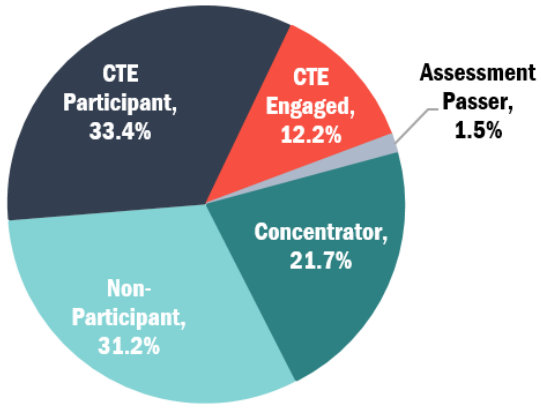
Terms such as "Concentrator" and "CTE Participant" appearing in the remainder of this report refer only to the definitions identified here (which may differ from other definitions of these terms used elsewhere, or for Perkins IV and Perkins V).[5] These five all-encompassing and mutually exclusive student groups allow for analysis based on various levels of CTE enrollment and credential attainment.

The percentages of overall student enrollment totals by groups are shown in Figures 9 and 10. The total student count is 850,546, with the two largest groups being Non-Participants and CTE Participants. The smallest group is Assessment Passers, which comprises only 1.5% (12,374) of all students. Figure 10 shows trends in the annual student count per group. Three of the student groups remain relatively flat over time; however, Non-Participants show a downward trend as the number of Concentrators continues to rise, indicating a general upward trend of student engagement in CTE.

## CTE Secondary Performance

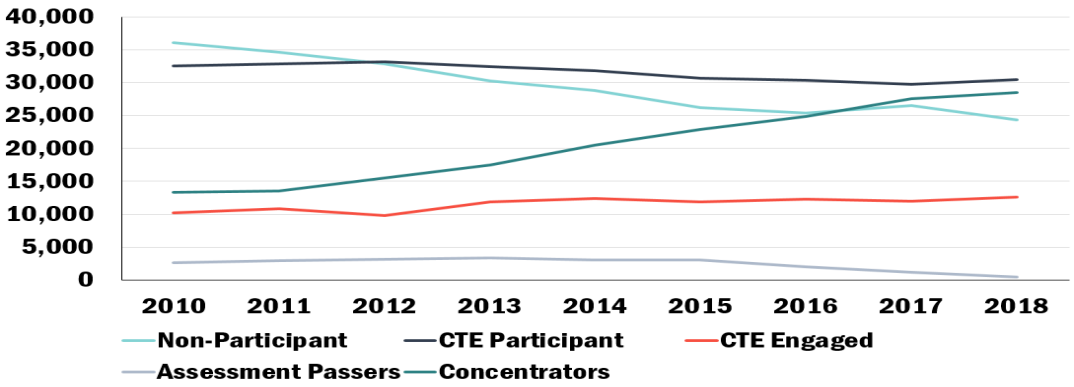
The following are the secondary-level Perkins IV core performance indicators. Each indicator had state target levels identified within Indiana's State Plan for Perkins IV, and the state has been meeting targeted levels of performance (Table 7).

**FIGURE 9.**
TOTAL ENROLLMENT BY STUDENT GROUP (ACADEMIC YEARS 2010-2018)




**SOURCE:** OFMA analysis of DOE and GWC program data provided by MPH.

**FIGURE 10.**
ENROLLMENT TRENDS BY STUDENT GROUP




**SOURCE:** OFMA analysis of DOE and GWC program data provided by MPH.

[5]From the GWC: Beginning with Perkins IV, a CTE Concentrator is defined as a student who earns a C or better average in at least two non-duplicative advanced courses within a particular program or program of study. Though current high school students are grandfathered under the previous CTE Concentrator definition—earning at least six high school credits in a career sequence—schools may opt to use this new definition of two courses for their current students. The data analyzed in this report pre-dates Perkins IV, and thus LSA has chosen the three or more course definition as it is more consistent with how Indiana and other states defined a concentrator in the past.

**TABLE 7.**
SECONDARY-LEVEL PERKINS IV CORE PERFORMANCE INDICATORS

| Secondary Performance Indicator | Goal/Purpose |
|---|---|
| **Technical Skills Attainment** | Earning assessments that align with industry-recognized standards |
| **School Graduation Rates** | CTE students leaving high school with some form of diploma or equivalency |
| **Postsecondary Placement** | CTE students leaving high school and entering postsecondary education, advanced training, military service, or being employed two quarters after leaving high school |
| **Academic Attainment in Reading and Math** | Improving scores earned by CTE students on the statewide assessments for reading/language arts and math |
| **Nontraditional Students** | Number of CTE students from underrepresented groups leading to employment in a nontraditional field (the Perkins IV indicator focuses on gender, but this analysis will include gender, race, ethnicity, English language learners, and students on free and reduced lunch |

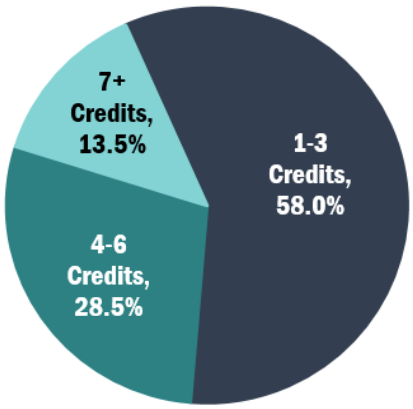
**SOURCE:** Perkins Collaborative Resource Network.

## Total Student Enrollment

***Associated Performance Indicator/ Goals: Technical Skills Attainment***

LSA's review of students from the 2010-2018 academic years found that Non-Participants (those taking zero CTE courses throughout high school) comprised 31.2% of the overall student population, with the remaining 68.8% of students taking some amount of CTE credits. Out of all CTE students, a majority tend to take three or fewer CTE credits. As shown in Figure 11, just over half (58%) of all CTE students earned between 1-3 CTE credits, 28.5% earned between 4-6 credits, and the remaining 13.5% earned 7 or more credits. Additionally, 2.6% (21,848) of students passed an assessment while in high school.

**FIGURE 11.**
CTE CREDITS EARNED




**SOURCE:** OFMA analysis of DOE and GWC program data provided by MPH.

## Graduation and Remediation Rate

***Associated Performance Indicators/ Goals: School Graduation Rates and Postsecondary Placement***

Making sure high school students graduate on time with either a Core 40 or honors diploma is key to ensuring they are college and career ready when leaving high school. The need for remediation also has a negative effect on college completion since the additional course requirements can be a barrier to earning a degree (CHE, 2012).

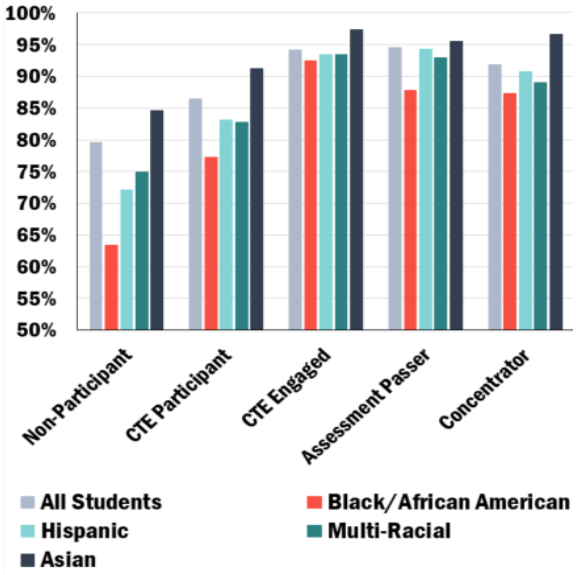
Improving graduation and remediation rates is an important aspect to a successful and impactful education system. Historically in Indiana, CTE coursework has been associated with higher high school graduation rates and lower remediation rates. This is apparent in this analysis as well, with the data showing that CTE is positively correlated with graduation rates and negatively correlated with remediation rates (Fleck Education, 2016).

As shown in Figure 12, when looking at all students, CTE Participants were 8.5% more likely to graduate than Non-Participants. This increases to 18.3% for CTE Engaged students (those taking at least one advanced CTE course) and is even higher for Assessment Passers.

The association of CTE with improved graduation rates is even more pronounced for minority students. Black/African American CTE Participants and CTE Engaged students are 22% and 46%, respectively, more likely to graduate than their Non-Participant counterparts. Given the association between CTE and increased graduation rates for minority students, and given that minority students are underrepresented in CTE compared to their white peers, schools may benefit by promoting CTE enrollment for minority students. The same can be found for FRL and ELL students as shown in Figure 13. with CTE Engaged, Assessment Passers, and Concentrators having the highest graduation rates.

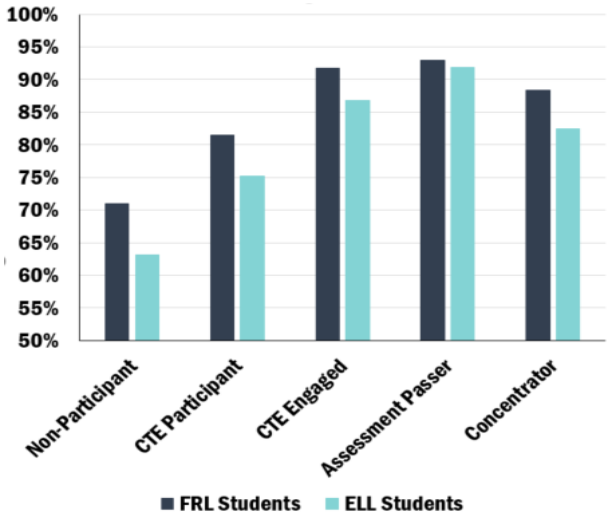
Similar findings are made with remediation rates. In fact, the remediation rate for CTE Engaged students (35.3%) is nearly half that of Non-Participants (62.6%). CTE's significant increases in graduation rates and reduction in remediation rates could be due to the nature of reaching students in ways that differ from the standard classroom setting (hands-on, work-based, and project-based learning environments). These various learning environments may allow students additional ways to engage with course materials outside of a typical classroom setting.

**FIGURE 12.**
GRADUATION RATE BY STUDENT GROUP




**SOURCE:** OFMA analysis of DOE and GWC program data provided by MPH.

**FIGURE 13.**
FREE/REDUCED LUNCH AND ENGLISH LANGUAGE LEARNER GRADUATION RATE BY STUDENT GROUP




**SOURCE:** OFMA analysis of DOE and GWC program data provided by MPH.

## Higher Education Enrollment

### *Associated Performance Indicator/ Goal: Postsecondary Placement*

In addition to improved graduation and remediation rates, CTE is also associated with higher rates of postsecondary enrollment. The increase in percentage of students enrolling in higher education is significantly higher for all CTE-related groups than for Non-Participants. CTE Engaged students top the list, enrolling in higher education 70.7% more often than Non-Participants (Figure 14).

It should be noted that the data in this analysis only includes students in Indiana public high schools and enrollment data for public higher education institutions located in Indiana. This means, if a student graduates from an Indiana public high school and enrolls in either a private Indiana university or a college or university in another state, that student will appear in this data as not enrolling in higher education. These figures must be analyzed with these limitations in mind.

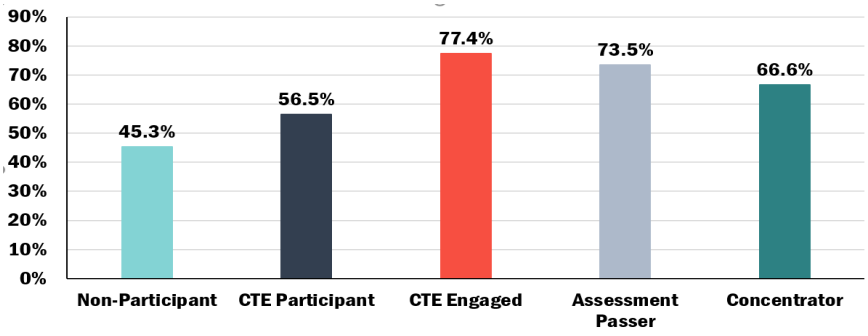
The graduation, remediation, and post-secondary enrollment statistics are important since educational attainment is a key factor in an individual's lifetime earnings potential. In the same way that earning a high school diploma makes an individual more competitive in the job market, a college degree furthers a person's lifetime earnings and qualifies them for additional opportunities in the workplace. On average, a high school diploma increases lifetime earnings by 34%. Additionally, associate degree holders earn 32% more in their lifetime, and individuals with a bachelor's degree earn 74% more than high school graduates (Carnevale, et al., 2011).

## English and Math Performance

### *Associated Performance Indicator/ Goal: Academic Attainment in Reading and Math*

Ensuring students improve performance in reading/language arts and math is one of the state's CTE goals. The percentages of students passing the English 10 and Algebra I end of course assessments were analyzed to provide a clear picture of the English and math comprehension in each of the five student groups. LSA found no association within this data that taking CTE courses in high school has an impact on student achievement in either the English 10 or Algebra I end of course assessments.

**FIGURE 14.**
HIGHER EDUCATION ENROLLMENT BY GROUP (INDIANA PUBLIC INSTITUTIONS ONLY)




**SOURCE:** OFMA analysis of DOE and GWC program data provided by MPH.

## Diploma Types Earned

***Associated Performance Indicator/ Goal: School Graduation Rates***

Indiana high school diploma options include the general diploma (now requiring an approved waiver for a student to earn), Core 40, Core 40 with technical honors, and Core 40 with academic honors (Figure 15). This analysis counts Core 40 with either technical or academic honors as simply an "honors" diploma.

**FIGURE 15.**
CORE 40 DIPLOMA

The Core 40 diploma became Indiana's required diploma option in 2007 and is the academic foundation all students need to succeed in college, apprenticeship programs, military training, and the workforce.

The honors diploma contains all the requirements of the standard Core 40 diploma as well as additional requirements, further preparing students for success after high school.

Details on Indiana's diploma requirements may be found at https://www.doe.in.gov/school-improvement/student-assistance/indiana-graduation-requirements.

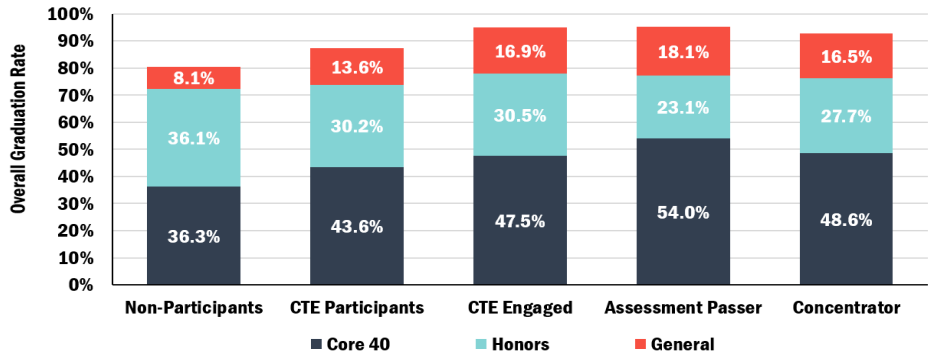
**SOURCE:** DOE.

Figure 16 shows the total number of students in each student group (including those who did not graduate) divided by the number earning each diploma type, with the height of the column representative of the group's graduation rate. Compared to Non-Participants, all other student groups have a lower rate of honors diplomas earned but have a slightly higher rate for Core 40 diplomas. CTE students also tend to earn the General diploma more often than Non-Participants. With Core 40 being the minimum standard for all Indiana high school students, school guidance counselors should emphasize meeting with CTE students to ensure they are on pace to earn either a Core 40 or honors diploma upon graduation.

Overall, CTE does not show any distinct advantages or disadvantages with diploma type earned. Any noticeable differences between groups may be explained in part by student intention or self-selection bias. For example, Assessment Passers may place additional emphasis on beginning a career right out of high school which may help explain their lower rate of honors diplomas earned.

Additionally, while Non-Participants show the lowest rate of higher education enrollment, those that are college bound may be more inclined to seek a four-year rather than a two-year degree, which may explain their higher rates of honors diplomas earned.

**FIGURE 16.**
DIPLOMA TYPE BY STUDENT GROUP




**SOURCE:** OFMA analysis of DOE and GWC program data provided by MPH.

## Stable Employment Rate

***Associated Performance Indicator/ Goal: Post-secondary Placement***

Preparing students to be college and career ready is aimed at both prepping students for success in their careers and helping build a talented, capable workforce to meet the needs of businesses across the state. This section looks at how often an individual was stably employed and not at their earnings outcomes. Figure 17 outlines additional data limitations to stable employment analysis. An instance of stable employment is defined as an individual having three consecutive quarters with earned wages in excess of $100 in each quarter (to eliminate any outliers with extreme minimal values for wages per quarter). The number of instances for all individuals from a group were totaled and then divided by the number of individuals in that group to get the group's average stable employment.

Figure 18 shows the average stable employment for each group for the timeframes of eight, five, and two years after high school graduation. Each timeframe follows only one cohort of graduates: the 2010 graduating class for the eight year outlook, the 2013 class for the five year outlook, and the 2016 class for the two year outlook. Wages for each cohort are used from two quarters after graduation through the 2018 calendar year.

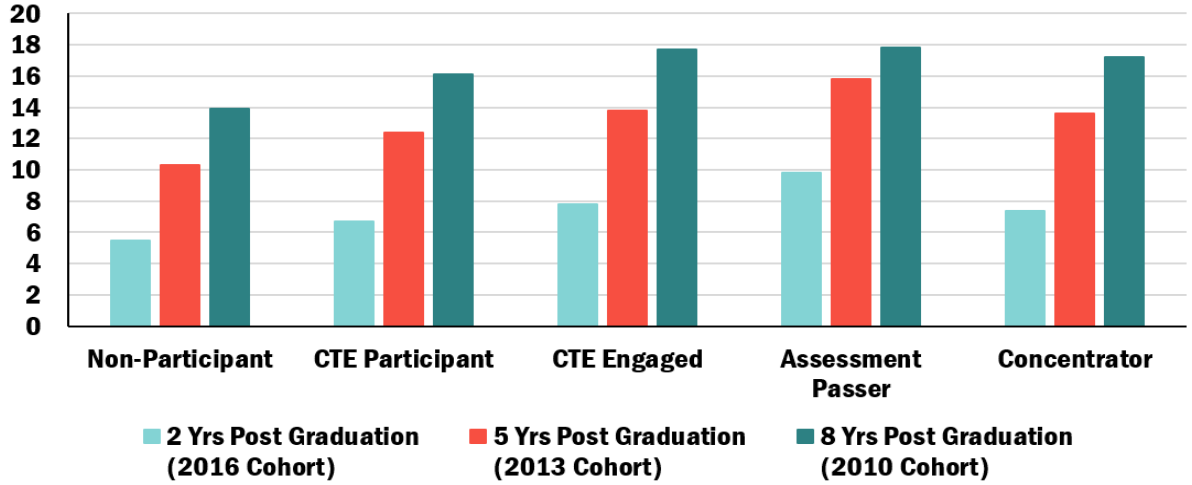
**FIGURE 17.**
DATA LIMITATIONS

1. LSA's proxy definition for stable employment does not indicate wages earned and should not infer the level of economic stability of an individual.
2. Data used to calculate stable employment only takes into account students who graduated from a public high school in Indiana.
3. Data used only includes wages earned in Indiana.
4. This analysis only includes high school graduates.

**SOURCE:** OFMA.

The average stable employment for Non-Participants eight years after graduation is 13.9, meaning that the average individual in that group had 13.9 instances of stable employment (instances of three consecutive quarters of employment) throughout an eight year span after their high school graduation year. CTE Participants and CTE Engaged students averaged a stable employment of 16.1 and 17.7 (an increase of 15.8% and 27.3%), respectively over Non-Participants. Assessment Passers top the list at 17.8.

**FIGURE 18.**
AVERAGE STABLE EMPLOYMENT BY STUDENT GROUP




**SOURCE:** OFMA analysis of DWD and GWC program data provided by MPH.

Assessment Passers have the highest rate of stable employment two years after high school, but this lead shrinks at the five-year mark and is relatively even at the eight-year mark with CTE Engaged and Concentrators. Non-Participants have the lowest average stable employment in all three timeframes. These figures indicate that students who took CTE courses while in high school continually had higher average rates of stable employment than Non-Participants two, five, and eight years after high school graduation.

The same trends also appear in Figure 19 when viewing the eight year post-graduation stable employment figures by white and minority students. Both show increases in average stable employment as students take part in CTE courses or pass assessments. However, minority CTE Participants have the lowest average stable employment rate of all five minority student groups.

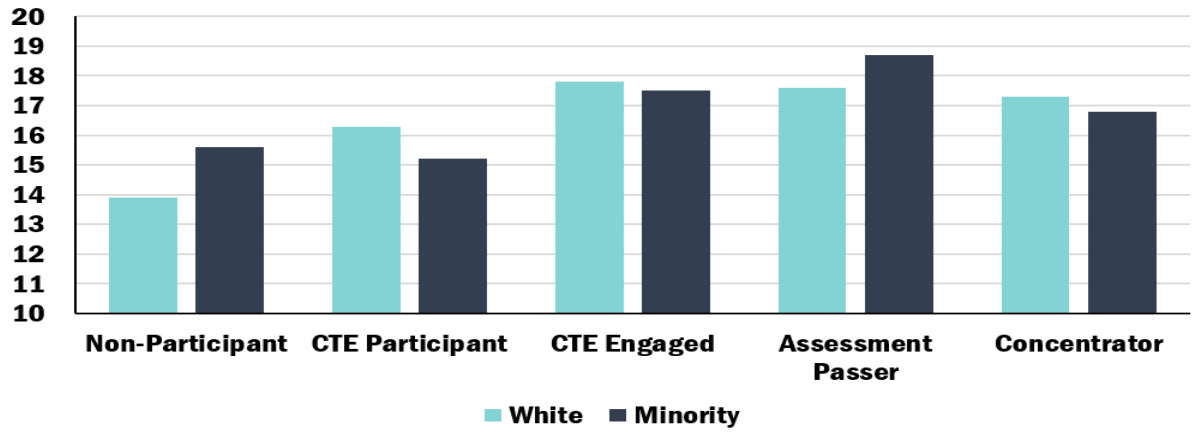
Compared to their white peers, minority Non-Participants and minority Assessment Passers show higher rates of stable employment eight years after graduating high school. It should be noted that these two student groups (Non-Participant and Assessment Passer) have the lowest average annual salary of all five groups (shown later in Figure 21), so the higher rate of stable employment for minority students in these two groups does not indicate annual earnings. If schools could increase the CTE involvement of minority students and encourage them to take advanced CTE courses (CTE Engaged students) or additional CTE courses to become a Concentrator, it may have positive implications for their future earnings potential.

## Influence of CTE on Racial and Ethnic Minority, Female, ELL, and FRL Students

### *Associated Performance Indicator/ Goal: Nontraditional Students*

Ensuring easy and equal access is an important factor in achieving the goals of CTE, such as making students college and career ready upon graduation. Table 8 shows enrollment numbers for minority, female, ELL, and FRL students. Percentages are shown based on column totals. Similar to the overall student population, the Non-Participant and CTE Participant groups are the two largest. All groups except FRL students and females are overrepresented in the Non-Participant group indicating that racial and ethnic minority students are

**FIGURE 19.**
AVERAGE STABLE EMPLOYMENT BY RACE (EIGHT YEARS AFTER GRADUATION)




**SOURCE:** OFMA analysis of DWD and GWC program data provided by MPH.

**TABLE 8.**
MINORITY, FEMALE, ELL, AND FRL STUDENT ENROLLMENT

| Student Counts | | Non-Participant | CTE Participant | CTE Engaged | Assessment Passer | Concentrator | Grand Total |
|---|---|---|---|---|---|---|---|
| White Students | % | 66.1% | 73.5% | 77.8% | 80.1% | 81.1% | **73.5%** |
| | # | 175,224 | 208,808 | 80,951 | 9,915 | 149,906 | **624,804** |
| Minority Students | % | 33.9% | 26.5% | 22.2% | 19.9% | 18.9% | **26.5%** |
| | # | 89,947 | 75,422 | 23,056 | 2,459 | 34,858 | **225,742** |
| Female Students | % | 48.1% | 49.5% | 44.3% | 85.1% | 50.1% | **49.1%** |
| | # | 127,492 | 140,783 | 46,043 | 10,534 | 92,508 | **417,360** |
| ELL Students | % | 3.7% | 2.4% | 1.3% | 1.3% | 1.1% | **2.4%** |
| | # | 9,892 | 6,835 | 1,372 | 162 | 2,021 | **20,282** |
| FRL Students | % | 28.8% | 35.2% | 35.3% | 37.4% | 36.0% | **33.4%** |
| | # | 76,328 | 99,897 | 36,714 | 4,631 | 66,504 | **284,074** |
| **All Student Enrollment Total** | # | **265,171** | **284,230** | **104,007** | **12,374** | **184,764** | **850,546** |

**SOURCE:** OFMA analysis of DOE and GWC program data provided by MPH.

underrepresented in CTE compared to the entire student population.

On a percentage basis, FRL students are overrepresented, albeit only by small amounts, in all four of the CTE-focused student groups. ELL students are the most underrepresented across these groups. Female students make up half of all Concentrators and over 85% of all Assessment Passers. This is primarily due to the two largest assessments by volume in the state, cosmetology and CNA, having overwhelming female enrollment.

Based on the data used throughout this section, racial and ethnic minority, female, ELL, and FRL students who take part in CTE are more likely to experience significant graduation rate improvements, drastic drops in the need for remediation, and more stable employment after graduation. Indiana schools may benefit by identifying and enacting methods to increase minority, ELL, and FRL student enrollment in CTE courses. Increasing the amount of CTE taken has a positive association with multiple criteria related to becoming college and career ready upon graduation.

## Wage Analysis

Finally, LSA analyzed the employment and wage outcomes of these student groups since a key goal of CTE is that it provides students with the skills that ultimately allow them to attain economic mobility and earn higher wages (see Figure 20 on following page for wage analysis methodology). A 2017 study from the DWD found that 22 quarters after graduation, students who took at least one CTE course were employed in two low-wage sectors (accommodation and food services; retail trade) at a lower rate than students who had not taken a CTE course (Waldron, 2017). Data from a NCES study that examined the nationwide cohort of students that graduated in 2013 show generally positive wage and employment outcomes for CTE participants three years after graduation, although with lower college enrollment rates (NCES, 2020).

## FIGURE 20.
## WAGE ANALYSIS DESIGN

1. Include MPH dataset from all students who had an expected graduation year of 2011 through 2017.
2. Exclude wage data from years in which the individual was enrolled in higher education, as any employment has a high likelihood of being part-time in nature.
3. Exclude any records in which the annual wage was less than $1,000 or the individual had fewer than three-quarters of employment.
4. Place every student into one of five mutually-exclusive groups based on their CTE participation as defined earlier in this report.
5. Find the wages each qualifying student earned X years after graduation.
6. Analyze the wage outcomes by CTE group.
7. Analyze the wage outcomes for all students that earned credits in an advanced course by the course designation of high-value, moderate-value, or less-than-moderate-value.
8. Examine the wage outcomes within each funding category.

**BEFORE REPORTING THE FINDINGS OF OUR ANALYSIS, IT IS IMPORTANT NOTE THE FOLLOWING CAVEATS:**

1. The data provided by DWD and MPH only had wage and employment information for individuals who worked in the state. Therefore, individuals who moved out of state after their expected graduation date were not included in the analysis. Furthermore, any wages earned by Indiana residents in another state were also excluded from the data.
2. CHE only has data on students who attend public postsecondary institutions in the state of Indiana. Therefore, wages earned while in a private postsecondary institution are included in the analysis, assuming the wages were earned over at least three quarters and were more than $1,000 in a given year.
3. While the wage analysis goes back to seven years after the expected graduation, it should be noted that only two cohorts (2010, 2011) had seven years of wage data. Furthermore, by looking at those cohorts, the wage outcomes of the CTE program were analyzed as it existed in 2010 and 2011, not how it exists today.

## Wage Analysis Findings

LSA made the following findings, which are provided in greater detail in the subsequent sections:

1. The amount of CTE courses students take and the level of advancement of those courses (i.e. a students' CTE group) are correlated with higher wages. CTE Engaged students have the highest salaries both directly out of high school and up to seven years after high school, while Concentrators had the second highest wages. Both categories earned consistently higher salaries than their peers, although the wage gap narrowed with time, particularly for Concentrators. Participants had higher wages than Non-Participants, but the wage gap narrowed with time. Assessment Passers had salaries that were relatively close to their peers shortly after high school, but much lower salaries than their peers five and seven years after high school. While there are clear trends in the salary data, LSA cannot conclude that any CTE group's wage outcomes are caused or influenced by their CTE course-taking patterns, as

LSA was not able to control for certain self-selection biases that may occur, or other variables that might influence future wages.

2. Some advanced courses are correlated with higher wages than others. Advanced courses labeled as high or moderate value were correlated with substantially higher wages than those labeled less-than-moderate value. The wage outcome differences between high and moderate value courses were minimal, despite high value courses receiving 70% more funding per credit hour. Students who earned credit in a less-than-moderate value course had lower wages after high school than their peers, including those who did not take any CTE courses.

3. Within both high and moderate value course categories, some individual courses are correlated with higher or lower wages than other advanced courses in the same category. This could point to a need for re-alignment of funding, or it may be tied to courses that did not offer the proper course alignment to lead students to the intended postsecondary credential attainment or career path. There were industry sector biases indicating other factors could be influencing wage outcomes for these courses.

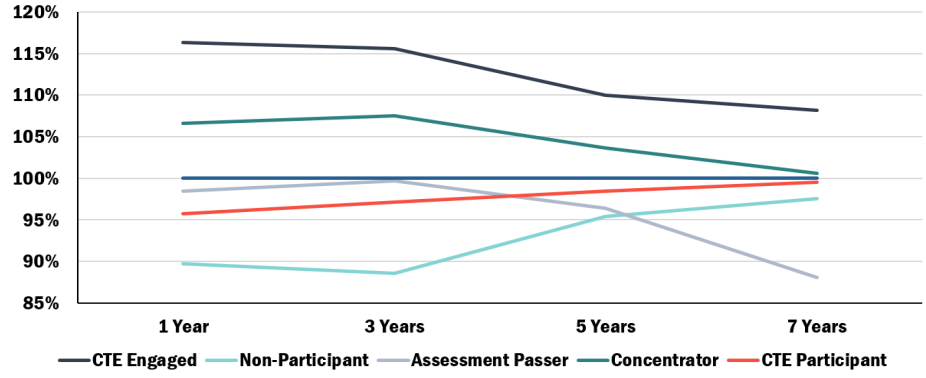
4. There was a lack of strong evidence that changing a given course's funding level impacted enrollment in that course. Course offerings can be impacted by new locations offering a course, or by locations choosing to no longer offer a course. Those changes may be years in the making and not necessarily influenced by changes in funding. Regardless of a course's funding level, students' interest and enrollment decisions still ultimately drive the participation in a course.

### *Finding Area: The Level of CTE Preparation is Associated with Salaries*

Figure 21 shows the average salary after graduation for each CTE group relative to all the individuals in our dataset. A value of 100% represents the average salary earned by all of the individuals in the dataset.

The students who receive credit in advanced CTE courses, the CTE Engaged Students in the study, consistently earn

**FIGURE 21.**
PERCENT OF ALL STUDENTS' AVERAGE SALARY EARNED BY EACH CTE GROUP, BY YEARS AFTER EXPECTED GRADUATION




**SOURCE:** OFMA analysis of DWD and GWC program data provided by MPH.

**NOTE:** 100% represents the average salary earned by all individuals in the dataset.

higher wages after high school than their peers. Kreisman and Stange similarly found that future wage gains from taking CTE courses is "driven entirely by upper-level courses" and introductory courses did not increase future wages at all (2017, p.4). While Figure 21 illustrates that Concentrators also earn higher salaries than their peers, the wage differential decreases over time such that by seven years after graduation, their average salary is essentially the same as the average salary of all of their peers.

Assessment Passers had salaries that were near their peers' in the first three years after graduation, but their wages do not keep pace with their peers after that. By seven years after their expected graduation date, the salaries were well below their peers and the lowest of any of the five groups. The Assessment Passers group has two characteristics that make drawing any conclusions about the wage outcomes challenging. The first is that the assessments being taken and passed have changed drastically over time. For instance, in FY 2012, the three most commonly passed assessments were Introduction to Engineering Design Part A, Certified Nurse Aide, and Principles of the Biomedical Sciences Part A, respectively. In FY 2018, Introduction to Engineering Design and Principles of the Biomedical Sciences were no longer offered. The top three assessments that year changed to Certified Nurse Aide, Measurement, Materials, & Safety, and Home Health Aide. Second, the total number of assessments passed varied substantially in the first few years of the dataset, and they decreased substantially in the last few years of the dataset. These assessment trends are likely due to changes in Perkins accountability and DWD changing the list of approved assessments frequently.

Finally, both CTE Participants and Non-Participants earned lower-than-average salaries, but after seven years both groups had diminished the wage gap substantially. With the exception of the Assessment Passers, there is a convergence of the wage outcomes among the different groups as they get older.

One potential explanation for the results is that there are inherent self-selection biases in the groups. For instance, given that CTE Engaged Students must demonstrate some mastery of their chosen area of study by taking and passing courses before getting to an advanced course, it is plausible this group has very few students who are struggling to graduate. Furthermore, CTE Engaged Students demonstrate they are focused on college and/or career readiness by taking an advanced CTE course, therefore one might expect them to earn higher wages after high school. As another example, it was noted previously that Non-Participants had the highest rate of graduates earning an Honors Diploma while also having the lowest graduation rate. It is possible students in this group were either struggling in school before ultimately dropping out, or were doing well in school and went on to postsecondary education. While LSA did not have all the data necessary to adjust for all of these potential biases, the analysis was run again while only including students who graduated from high school on-time.

When isolating the wage outcome analysis for high school graduates-only, the analysis showed the same general trends with the following noteworthy exceptions:

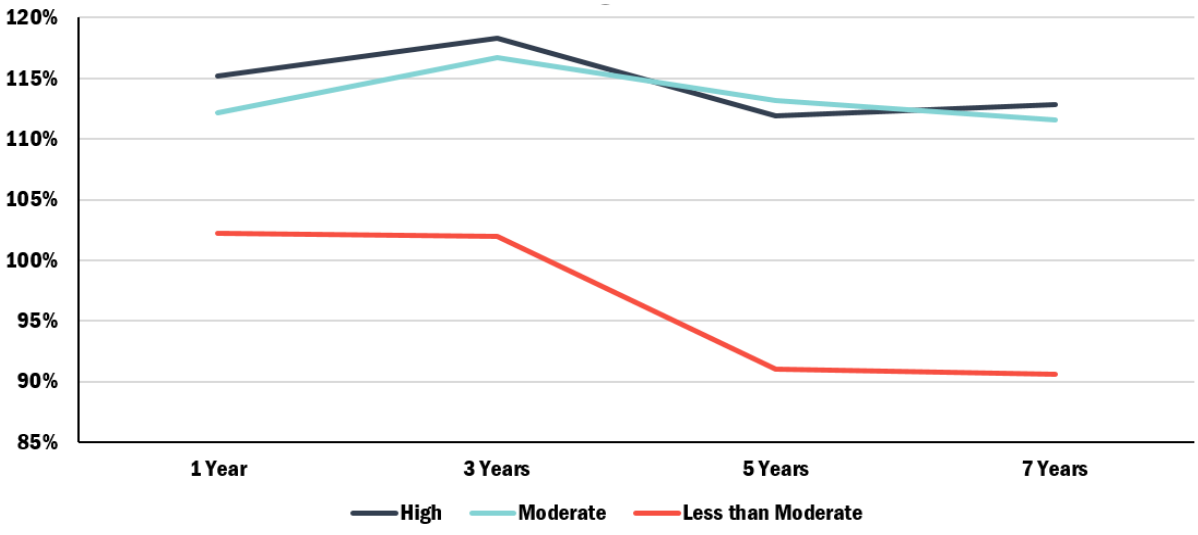
1. While Non-Participants have even lower wages relative to their peers in the first few years when only including graduates, they actually have higher salaries than all but CTE Engaged Students seven years after they graduated.
2. While CTE Engaged Students and Concentrators are overall the highest wage earners in both analyses, the wage gap between them and the other groups decreases more sharply with time when only including graduates.
3. The convergence in wage outcomes over time among the groups, with the exception of Assessment Passers, was stronger when only including graduates.

Thus, it appears CTE courses are associated with higher wages post-high school. However, that association decreases over time, suggesting that if CTE does have a positive impact on future wages, its effect is strongest in the first few years after high school. Ultimately, a regression analysis, preferably with more years of data to analyze, is needed to control for potential self-selection biases to get a better understanding of the true influence of CTE courses on wage outcomes.

### *Finding Area: Advanced Courses Vary in Wage Outcomes*

Figure 22 compares the salaries of individuals who received credit in either a high, moderate, or less-than-moderate-value advanced course. Figure 22 leads to two conclusions. The first is that the high and moderate-value advanced courses have fairly similar wage outcomes and both have substantially higher wages than the average person in this study.

**FIGURE 22.**
WAGES EARNED BY ADVANCED COURSE PARTICPANTS AFTER EXPECTED GRADUATION BY CTE FUNDING CATEGORY PARTICIPATION (COMPARED TO ALL STUDENTS)




**SOURCE:** OFMA analysis of DWD and GWC program data provided by MPH.

**NOTE:** 100% represents the average salary earned by all individuals in the dataset.

This points to an unequal return on investment for some of the most highly funded courses in terms of student wage outcomes. LSA was not able to fully analyze the return on course funding investment in terms of its ability to meet employer demand. While LSA found CTE student had higher instances of stable employment, information was not available to determine the types of occupations held by these students.

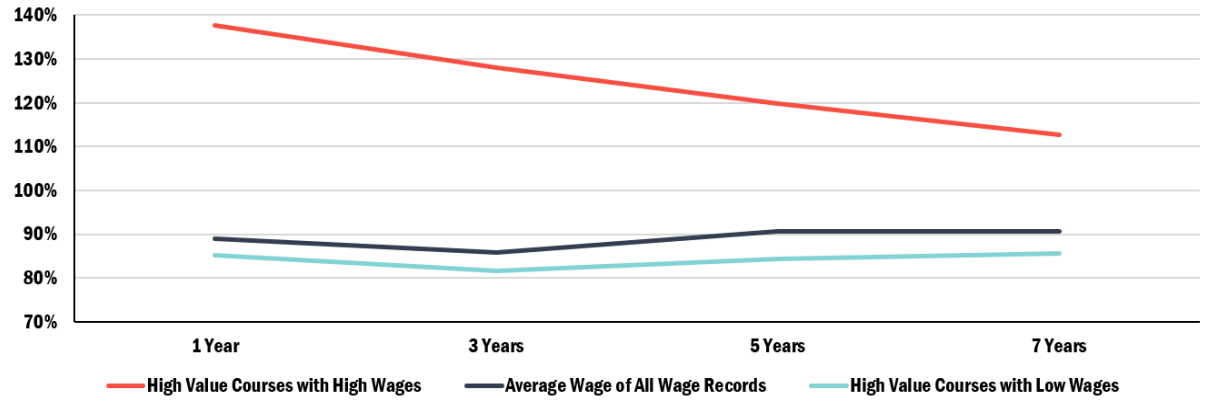
Second, less-than moderate advanced courses have wage outcomes that are slightly higher than the average person in this study shortly after high school, but substantially lower salaries than the average student five to seven years post high school.

### *Finding Area: Wage Outcomes Can Vary within Funding Categories*

As mentioned previously, the GWC categorizes courses based on a number of factors including the wages of the occupation related to the course, but job openings are what drive the categorizations. This can lead to courses within the same funding category having different wage outcomes for students, even when the student may end up in their intended occupation. The GWC puts barriers in place that do not allow low-wage occupations into the high-value category, and the lowest wage occupations can only make it into the less-than-moderate-value category. These categorizations are intended to incentivize both course offerings and student behavior, yet it is still difficult to measure and predict the ultimate career path of students of high school age.

LSA examined the wage outcomes of all the high-value advanced courses and found a large disparity between the wages of the courses with the highest wage outcomes and those with the lowest wage outcomes. This analysis focuses on the wages and is missing any key insight on the occupation held by the student. LSA identified five courses with particularly high wages and four courses with particularly low wages compared to other high-value advanced courses. Figure 23 shows the average wage ratio at one, three, five, and seven years after the expected graduation date of the high-value advanced courses with high wages and low wages. For reference, the wage of everyone in the wage analysis relative to the wage of all the CTE Engaged students is also included.

**FIGURE 23.**
WAGES COMPARED TO ALL ADVANCED COURSES BY YEARS AFTER EXPECTED GRADUATION PARTICIPATION (COMPARED TO ALL STUDENTS)




**SOURCE:** OFMA analysis of DWD and GWC program data provided by MPH.

The high-wage courses are male-dominated courses that focus broadly on construction, manufacturing, and engineering. These courses all generally had particularly high wages directly out of high school, and while the wage benefit of these courses decreases over time, even in year seven they continue to earn substantially higher wages than their peers.

The high-value advanced courses with low wages were female-dominated and were all in the medical field. To some extent, the low wages in the first few years out of high school are to be expected, as the high-salary occupations in the medical field require a degree. In fact, veterinarians, dentists, and physical therapists all require advanced degrees that take seven or more years which means any positive wage outcomes would not be included in this analysis. However, those career fields also have careers that do not require advanced degrees that should positively impact the wage outcomes such as veterinarian technician, or dental hygienist or assistant. Perhaps the most surprising inclusion in the group of low wage courses is the nursing course. An Associate's Degree is required to be a registered nurse, and many opt to earn a Bachelor's Degree. Those opting for a Bachelor's Degree could impact the outcomes by year five or year seven. However, the wage outcomes are consistently lower than even the average wage earner in the dataset, even in year five or year seven.

### *Finding Area: No Clear Evidence of Funding Levels Impacting Course Enrollments.*

In order to drive participation in the courses that offer the best wage outcomes, ideally the GWC would be able to incentivize schools to offer those courses by increasing their funding levels. To test if funding levels impact course enrollments, each instance of a course experiencing an increase or decrease in funding from the previous year was identified. Then, the enrollment trend before the change was examined and compared to the enrollment trend after the change. No clear evidence of enrollment being influenced by funding level was found, regardless of whether one or two-year trends were analyzed.

Course enrollments are influenced by a number of factors with the most important being students' interests in a particular field. Regardless of what funding levels the GWC sets or how hard schools push a particular course to students, schools must ultimately offer courses based on demand for that course. Course enrollments are also influenced by the locations (particularly CTE centers) choosing to offer or discontinue a course. Those decisions can be years in the making and might not necessarily be influenced by the funding level of the course.

The funding level of CTE courses is going through another major overhaul in FY 2021. In interviews, LSA was told that sometimes a simple name change can make a course more attractive to students. A 2017 survey from Advance CTE found that while parents have heard of CTE, many lack basic knowledge such as when and where courses are offered. Furthermore, parents and students would like to hear about CTE from a variety of sources such as teachers, guidance counselors, and CTE alumni, and they want that information delivered by a mix of online and in-person contact.

To the extent that students and parents in Indiana lack an understanding of CTE, these suggestions might be ways to positively impact enrollments outside of changing the funding for courses.

## Conclusions

State funding toward CTE has been increasing, with the focus on courses anticipated to lead to higher paying occupations in demand. This analysis found that high and moderate value advanced courses had particularly high wage outcomes for CTE students. However, the moderate value courses were nearly as valuable as the high value courses, bringing into question whether the 70% premium schools receive for each credit hour of a high value course is a policy that brings equitable returns to the public investment. This may warrant more analysis.

LSA also found several courses within the high and moderate value categories that seemed to have substantially different wage outcomes than the average course in their respective funding categories. While a future analysis with more years to analyze post-high school could be insightful, the GWC could consider what makes some of these courses successful at assisting students into high wage careers while others seem to not have that intended impact. There were also gender and industry biases found in this analysis that underscore the continued importance in focusing on increasing enrollment for female students in non-traditional courses.

Overall, while LSA found that CTE course takers earned higher salaries than their peers who did not take CTE courses, a future analysis that has more years post-high school to study and can control for more variables is needed to conclusively prove that the wage outcomes were directly influenced by the CTE courses themselves and not the result of a self-selection bias or other variables. Additional further analysis could allow for valuable insights by researching if the students who received credit in those courses ultimately received a degree that would allow them to achieve the intended high-wage occupation. It is possible some of this re-alignment between secondary course, postsecondary attainment, and employment outcomes is under review by the GWC. This analysis includes students that predate the transition to GWC and to Perkins V.

Additionally, LSA could not determine if the funding level of a course directly impacted student enrollments. Student enrollment in a course is dynamically impacted by a host of variables, so finding a connection between funding levels and enrollments may be challenging. The changes made to course funding in FY 2021 will offer an opportunity for future research to examine this issue again. If future research finds that course funding has little impact on course enrollments, the GWC could consider other ways to engage students in the courses that offer the greatest opportunity for career advancement and personal prosperity.

Ultimately, despite the limitations to this wage analysis, a clear association between CTE and improved wage outcomes has been illustrated herein. The review also found positive associations between students engaged in CTE coursework and improved high school performance. CTE's association with improved performance was particularly strong for minority or at-risk student populations, such as those on free and

reduced lunch programs. Students engaged in CTE outperformed their peers in graduating from high school, requiring less remediation, and matriculating to higher education. Thus, the findings indicating lower participation rates for urban or minority students should be addressed in order to continue to move the bar on these achievement gaps for all students.

| Finding Area: Lower Participation Rates for Certain Populations | |
|---|---|
| **Challenges** | **Potential Solutions** |
| English language learners earn fewer credits, have lower overall participation rates, and take fewer advanced courses that are designated as high or moderate value than their peers who are fluent in English.<br><br>Indiana's minority students do not engage in CTE at the same level as white students.<br><br>Schools in cities tend to have lower CTE funding and work-based learning opportunities.<br><br>Females are less likely to take a high or moderate value advanced course than males, and some of the female-dominated advanced courses have below-average wage outcomes. | Identify CTE providers that succeed at getting each of these populations engaged in CTE at the highest levels. Work with those providers to develop best practices regarding attracting these populations to CTE coursework. Assist providers who are struggling to attract these populations to CTE, and where applicable, implement the best practices as developed. |
| **Finding Area: Discrepancies in Wage Outcomes Among High-Value Courses** | |
| **Challenges** | **Potential Solutions** |
| There is a discrepancy between wage outcomes and the amount of funding for high and moderate value advanced courses. | Consider re-evaluating the funding formula for equitable public return on the training investment. Continue alignment of coursework to post-secondary education and career pathways. |
| **Finding Area: Course Funding Levels and Student Enrollment** | |
| **Challenges** | **Potential Solutions** |
| The funding level of a course might have limited impact on that course's enrollments. | Study the issue in the years following the SFY 2021 change in CTE funding structure. If further study shows the funding level of a course has a limited impact on student enrollment, the CTE program will need to find other ways to influence students' course-taking decisions. Changing how courses are branded, and ensuring the value of CTE is communicated to both parents and students in a variety of mediums are potential ways to positively impact enrollments. |

# COMMUNITY DEVELOPMENT BLOCK GRANT FUNDED WORKFORCE DEVELOPMENT PROGRAM

The Workforce Development Program (WDP) was a grant program which provided funds for workforce development and skills training activities.

THE PROGRAM RECEIVED appropriations of $3.75 million during the FY 2015-2017 biennium. The purpose of the WDP was to provide funds to local units of government in support of local programs. The goals of the WDP were as follows:

> **[t]o provide communities access to resources that assist in the development and retention of a high quality workforce by increasing the skills and capacity of current and future members of Indiana's workforce. (Office of Community and Rural Affairs, 2015)**

## History of the Workforce Development Program

The impetus of the program was public testimony received during the five-year plan development process for the Community Development Block Grant (CDBG) (BBC Research & Consulting, 2016). The WDP was allocated $2 million from the CDBG to provide grants to CDBG non-entitlement cities, towns, and non-urban counties. Program beneficiaries were to be Indiana residents over 18 years of age, post high school, and eligible for training, and at least 51% of a project's beneficiaries were to be low-to-moderate income. The award was based on $5,000 per beneficiary.

A local match of 20% of the amount granted was required. With a maximum award of $250,000, it was estimated that local units would be responsible for a match of $50,000. The eligible activities included property acquisition and disposition, work force development, program delivery up to 10% of the grant, grant administration up to 8% of the grant, and environmental review costs, when applicable. (Indiana Office of Community and Rural Affairs, 2015)

The program was discontinued after two years. It was cited that the reason for discontinuation is that the program was duplicative of programs provided by the DWD (Crouch, 2018). Additionally, there seems to have been obstacles to developing sufficient interest in applying for the program to expend the appropriated funds. (BBC Research & Consulting, 2017) There are no future expenditures for the WDP. Projects funded by WDP provided grants for Ivy Tech certifications, including machinist certifications, and other trade skills.

## Outcomes

LSA reviewed grant contracts of 10 WDP programs with total funding of $3 million in SFY 2016 and SFY 2017.[1] The contracts were expected to serve

[1] OCRA provided a list of contracts with four projects having the same project code and in a search of Indiana Department of Administration's Active Contract database, these contracts were not found.

a total of 1,064 incumbent, emergent, unemployed, or underemployed workers and students, with 545 expected to have low to moderate income. LSA was unable to obtain close out reports from the grant recipients.[2] BBC found that OCRA's marketing was statewide, and that OCRA would work with partners to determine the obstacles in responding to the program proposal requests (BBC Research & Consulting, 2017). Many of the projects included multiple counties and most focused on increasing skills or training in industrial settings, as seen in Table 1.

## Conclusions

This program was a response to needs that were brought to OCRA through studies and listening campaigns. Even though the program's design seemed to address the identified concerns and program marketing was statewide, participation by the intended target audience did not occur. It seems likely that many participants could also seek funding from separate grants and funding from the DWD or Ivy Tech. Reporting requirements were placed on the awards; analysis of those reports could provide further insight for program design for future state-funded initiative.

**TABLE 1.**
SUMMARY OF GRANT DESCRIPTIONS FROM WDP CONTRACTS

| Unit | SFY | Description |
|---|---|---|
| Knox | 2016 | Serving Sullivan County and the City of Princeton, establish training for unemployed and underemployed workers on heavy equipment operation and industrial maintenance. |
| Starke | 2016 | Develop an equipment maintenance and automation technology training program to serve the residents of Starke, Pulaski, Marshall, and LaPorte counties. |
| Martin | 2016 | Serving Daviess, Greene, Lawrence, and Martin counties, establish a training for unemployed and underemployed workers in the fields of computer numerically controlled machining, electronics, and information and security technology with a rehabilitation component prior to training. |
| Tell City | 2016 | Implement workforce development training for unemployed and underemployed individuals in Perry, Spencer, Crawford, and Dubois counties. |
| Whitley | 2016 | Recruit incumbent and underemployed workers for scholarships to Ivy Tech or the Freedom Academy for machining, industrial maintenance, or welding with the Whitley/Noble UP program. |
| Steuben | 2016 | Implement the Steuben Workforce Development Project regionally to train low-skill and low-wage incumbent/displaced workers to improve technical skills and address skills gaps. |

[2] The COVID-19 pandemic and personnel changes hinder OFMA's request for OCRA records that are in hard copy only.

| Unit | SFY | Description |
|---|---|---|
| Grant | 2016 | A collaboration with Ivy Tech and Northeast Indiana Works, Grant's GOT Talent 2.0 Program for industrial machine maintenance training to develop and match workers' skills to manufacturing needs. |
| Howard | 2016 | Establish the North Central Indiana Regional Workforce Department Program for incumbent workers to increase and enhance education and skills levels. |
| Jackson | 2017 | Jackson-Jennings Training Program to focus on life skills and skills for success. |
| Wabash | 2017 | Marketing services to connect students with workforce investment partners for training through Ivy Tech in target areas. |
| Randolph | 2017 | National certification in computer numerically controlled and curricular practical training through Ivy Tech for incumbent and emergent workers and soft skills training. |
| Adams | 2017 | Develop skills in entry-level industrial maintenance, computer numerically controlled, welding, and leadership training in partnership with Adams-Wells Manufacturing Alliance. |

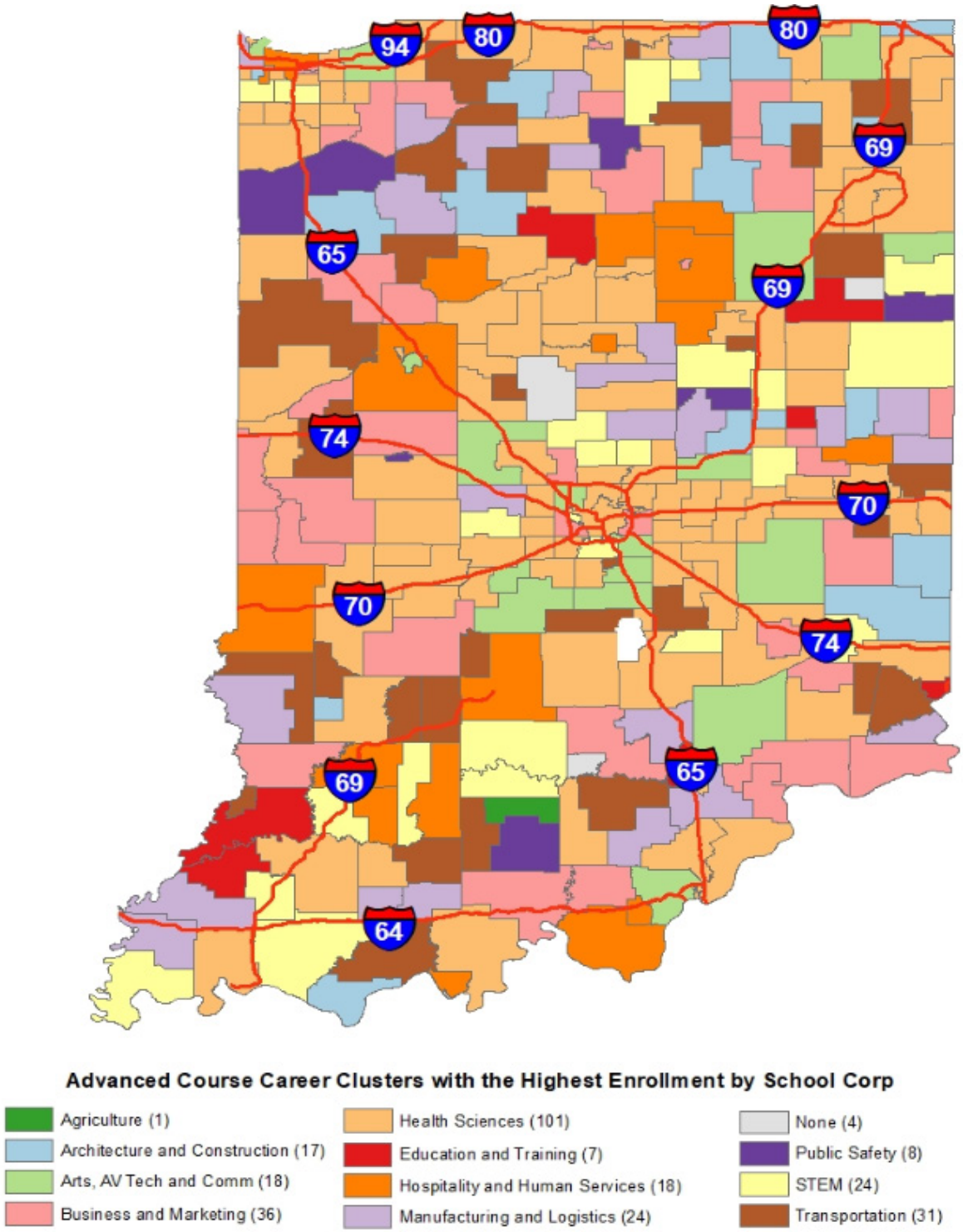
**SOURCE:** GWC, Indiana's Combined State Plan, 2020-2024.

# APPENDIX A.
## SERVICES PROVIDED TO ADULT AND DISLOCATED WORKERS UNDER TITLE I OF WIOA

| Career Services | Training Services |
|---|---|
| Eligibility Determinations | Occupational Skills (e.g. classroom training) |
| Outreach, Intake, Orientation, and Referrals | On-the-Job Training |
| Assessment of Skills and Needs | Incumbent Worker Training |
| Labor Exchange Services, including Job Search Assistance and Information on In-Demand Occupations | Combined Workforce Training with Related Instruction |
| Workforce and Labor Market Information | Skill Upgrading and Retraining |
| Performance and Cost Information for Eligible Training and Education Providers | Entrepreneurial Training |
| Performance Measurement Data for Local Area | Transitional Jobs |
| Information on and Referral to Supportive Services | Job Readiness Training |
| Information on Filing for Unemployment Compensation | Adult Education and Literacy Combined with Training |
| Assistance in Establishing Eligibility for Financial Aid for non-WIOA Training and Education Programs | Customized Training in Conjunction with an Employer |
| Services to Obtain or Retain Employment | |
| Follow-up Services for at least One Year to Participants who are Placed in Unsubsidized Employment | |

**SOURCE:** P.L. 113-128 (Section 134(c)(2) and Section 134(c)(3)(D)) and Department of Labor, Employment and Training Administration, "Workforce Innovation and Opportunity Act; Notice of Proposed Rulemaking; Proposed Rules." 80 Federal Register 20852-20862, April 16, 2015.

# APPENDIX B.
## ADVANCED COURSE CAREER CLUSTERS WITH HIGHEST ENROLLMENT BY SCHOOL CORPORATION




**SOURCE:** OFMA analysis of DOE and GWC program data.

# APPENDIX C.
## WORKFORCE-RELATED PROGRAMS STATUTE (IC 2-5-42.4)

Chapter 42.4. Review, Analysis, and Evaluation of Workforce Related Programs
2-5-42.4
2-5-42.4-1 "Workforce related program"
2-5-42.4-1 Year Enacted 2018; Year Amended 2018

Sec. 1. As used in this chapter, "workforce related program" has the meaning set forth in IC 22-4.1-1-7.
As added by P.L.174-2018, SEC.1.

2-5-42.4-2 Legislative intent
2-5-42.4-2 Year Enacted 2018; Year Amended 2018

Sec. 2. The general assembly intends that each workforce related program effectuates the purposes for which it was enacted and that the cost of workforce related programs should be included more readily in the biennial budgeting process.
As added by P.L.174-2018, SEC.1.

2-5-42.4-3 Review, analysis, and evaluation of workforce related programs by legislative services agency
2-5-42.4-3 Year Enacted 2018; Year Amended 2018

Sec. 3. (a) To provide the general assembly with the information it needs to make informed policy choices about the efficacy of each workforce related program, the legislative services agency shall conduct a regular review, analysis, and evaluation of all workforce related programs according to a schedule developed by the legislative services agency.

(b) The legislative services agency shall conduct a systematic and comprehensive review, analysis, and evaluation of each workforce related program scheduled for review. The review, analysis, and evaluation must include information about each workforce related program that is necessary to determine if the goals of the workforce related program are being achieved, which may include any of the following:

(1) The basic attributes and policy goals of the workforce related program, including the statutory and programmatic goals of the workforce related program, the original scope and purpose of the workforce related program, and how the scope or purpose has changed over time.
(2) The estimated cost to the state to administer the workforce related program.
(3) The workforce related program's public purpose and extent of conformance with the original purposes of the legislation enacting the workforce related program.
(4) The types of activities on which the workforce related program is based and how effective the workforce related program has been in promoting these targeted activities and in assisting participants in the workforce related program.
(5) The count of the following:
(A) Participants who enter the workforce related program.
(B) Participants who complete the workforce related program.
(C) Providers of the workforce related program.
(6) The dollar amount allotted for the workforce related program for the most recent state fiscal year.
(7) An estimate of the impact of the workforce related program, including the following:
(A) A return on investment calculation for the workforce related program. For purposes of this clause, "return on investment calculation" means analyzing the cost to the state of providing the workforce related program and analyzing the benefits realized by the participants in the workforce related program and

to the state.
(B) A cost-benefit comparison among workforce related programs.
(C) An estimate of the number of jobs that were the direct result of the workforce related program.
(D) For the workforce related program, a statement by the chief executive officer of the state agency that administers the workforce related program as to whether the statutory and programmatic goals of the workforce related program are being met, with obstacles to these goals identified, if possible.
(8) The methodology and assumptions used in carrying out the reviews, analyses, and evaluations required under this section.
(9) An estimate of the extent to which benefits of the workforce related program remained in Indiana or flowed outside Indiana.
(10) Whether the effectiveness of the workforce related program could be determined more definitively if the general assembly were to clarify or modify the workforce related program's goals and intended purpose.

(11) Whether measuring the workforce related program's impact is significantly limited due to data constraints and whether any changes in statute would facilitate data collection in a way that would allow for better review, analysis, or evaluation.
(12) An estimate of the indirect economic benefit or activity stimulated by the workforce related program.
(13) Any additional review, analysis, or evaluation that the legislative services agency considers advisable, including comparisons with workforce related programs offered by other states if those comparisons would add value to the review, analysis, and evaluation.
As added by P.L.174-2018, SEC.1.

2-5-42.4-4 State officials, agencies, and bodies corporate and politic to provide information; confidential information
2-5-42.4-4 Year Enacted 2018; Year Amended 2018
Sec. 4. The legislative services agency may request a state official or a state agency or a body corporate and politic to furnish information necessary to complete the workforce related program review, analysis, and evaluation required by this chapter. An official or entity presented with a request from the legislative services agency under this section shall cooperate with the legislative services agency in providing the requested information. An official or entity may require that the legislative services agency adhere to the provider's rules, if any, that concern the confidential nature of the information.
As added by P.L.174-2018, SEC.1.

2-5-42.4-5 Annual report to legislative council and interim study committee on fiscal policy; contents of report
2-5-42.4-5 Year Enacted 2018; Year Amended 2018
Sec. 5. The legislative services agency shall, before October 1 of each year, submit a report to the legislative council, in an electronic format under IC 5-14-6, and to the interim study committee on fiscal policy established by IC 2-5-1.3-4 containing the results of the legislative services agency's review, analysis, and evaluation under this chapter. The report must include at least the following for each workforce related program reviewed:
(1) An explanation of the workforce related program.
(2) The history of the workforce related program.
(3) An estimate for each state fiscal year of the next biennial budget of the cost of the workforce related program.
(4) A detailed description of the review, analysis, and evaluation for the workforce related program.
(5) Information to be used by the general assembly to determine whether the

workforce related program should be continued, modified, or terminated, the basis for the recommendation, and the expected impact of the recommendation.

(6) Information to be used by the general assembly to better align the workforce related program with the original intent of the legislation that enacted the workforce related program.

The report required by this section must not disclose any proprietary or otherwise confidential information.

As added by P.L.174-2018, SEC.1.

2-5-42.4-6 Public hearing and recommendations by interim study committee on fiscal policy

2-5-42.4-6 Year Enacted 2018; Year Amended 2018

Sec. 6. The interim study committee on fiscal policy shall do the following:

(1) Hold at least one (1) public hearing after September 30 and before November 1 of each year at which:

(A) the legislative services agency presents the review, analysis, and evaluation of workforce related programs; and

(B) the interim study committee on fiscal policy receives information concerning workforce related programs.

(2) Submit to the legislative council, in an electronic format under IC 5-14-6, any recommendations made by the interim study committee on fiscal policy that are related to the legislative services agency's review, analysis, and evaluation of workforce related programs.

As added by P.L.174-2018, SEC.1.

2-5-42.4-7 Legislative use of report and recommendations

2-5-42.4-7 Year Enacted 2018; Year Amended 2018

Sec. 7. The general assembly shall use the legislative services agency's report and the interim study committee on fiscal policy's recommendations to determine whether a particular workforce related program:

(1) is successful;

(2) is provided at a cost that can be accommodated by the state's biennial budget; and

(3) should be continued, amended, or repealed.

As added by P.L.174-2018, SEC.1.

2-5-42.4-8 Public information system for workforce related programs; schedule for review, analysis, and evaluation of programs posted on Internet

2-5-42.4-8 Year Enacted 2018; Year Amended 2018

Sec. 8. (a) The legislative services agency shall establish and maintain a system for making available to the public information about the amount and effectiveness of workforce related programs.

(b) The legislative services agency shall develop and publish on the general assembly's Internet web site a multiyear schedule that lists all workforce related programs and indicates the year when the report will be published for each workforce related program reviewed. The legislative services agency may revise the schedule as long as the legislative services agency provides for a systematic review, analysis, and evaluation of all workforce related programs and that each workforce related program is reviewed at least once every five (5) years.

As added by P.L.174-2018, SEC.1.

2-5-42.4-9 Expiration of chapter

2-5-42.4-9 Year Enacted 2018; Year Amended 2018

Sec. 9. This chapter expires December 31, 2028.

As added by P.L.174-2018, SEC.1.

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