



GOVERNOR'S  
**WORKFORCE**  
CABINET

# Recommendations to Tackle Employer Talent Challenges and Accelerate the State's Economy

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## 2024 Update



FEBRUARY | 20  
24

# PILLAR I: HELPING EMPLOYERS FIND SKILLED WORKERS

*To ensure employers have the talent needed for the economy of today and tomorrow.*

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## 1 | ACCELERATE DIGITAL DEVELOPMENT IN INDIANA

The Governor's Workforce Cabinet received workforce initiatives funding via House Enrolled Act (HEA) 1001-2023 to implement workforce cabinet recommendations subject to the approval of the Governor. There is still an opportunity to consider creating a Digital Readiness Grant, similar to the Manufacturing Readiness Grants, that would focus on digital adoption and assistance to help employers navigate the changes necessary to remain competitive in a modern economy. Digital Readiness Grants could also help stimulate regional employer, sector-based strategies.

Beginning with the Class of 2029, House Bill (HB) 1243-2024 requires completion of a standalone computer science course to graduate from high school. Going forward, the Department of Education must consider integrating computer science standards into every academic subject area as part of the regular process of revising and updating academic standards. This particular administration agenda item builds on Governor Eric Holcomb's 2018 Next Level Computer Science agenda, which required every high school to offer a computer science elective course by the 2021-2022 school year. Since 2018, Indiana has invested more than \$18 million in K-12 computer science. In 2023, Code.org Advocacy Coalition ranked Indiana sixth in the nation in terms of computer science access in high schools, with 91% of public high schools offering a foundational computer science course. MORE INFO: [HB 1243](#)

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## 2 | CREATE THE INDIANA TALENT AGENCY

In January 2024, the Governor's Workforce Cabinet launched the "[One Stop to Start](#)" workforce hub. While Phase I focuses primarily on raising public awareness of available workforce training programs, Phase II will offer a collection of employer-focused services and programming. Deployment of Phase II will be an ongoing and fluid process beginning the second quarter of 2024. Offerings may include:

- Targeted marketing based on employer needs;
- Employee/employer matching and integrated referrals;

- Workforce/education engagement with employers and labor to further develop talent pipelines;
- Potential pilot or recommended platform for select employers that share a common talent acquisition pain point; and
- Integrating off-the-shelf solutions, such as the U.S. Chamber of Commerce’s Talent Pipeline Management business model, which are currently being successfully integrated by peer states.

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### **3. | DEVELOP A CAREER NAVIGATION NETWORK**

HEA 1002-2023 requires the Indiana Commission for Higher Education (CHE) to develop and implement a Comprehensive Career Navigation and Coaching System in consultation with the Indiana Department of Education, Indiana Department of Workforce Development, and Governor’s Workforce Cabinet to provide timely, comprehensive, relevant and meaningful career information to K-12 students.

To assist schools, that legislation requires the Indiana Career Explorer online platform be fully interoperable with CHE’s new system while HEA 1001-2023 provides \$25M toward new Career Coaching Grants to ignite partnerships between schools and career coaching services and/or intermediaries across the state.

HEA 1002-2023 also requires 11th and 12th graders not already participating in work-based learning or career coaching services, such as Jobs for America’s Graduates (JAG), to meet with an individual from a list of CHE-approved intermediaries, employers, labor organizations, or postsecondary institutions to discuss potential careers and the necessary education or training.

HEA 1001-2023 also provides a one-time allocation of \$5M for Intermediary Capacity Building Grants to help select intermediaries scale to serve more students.

The list of approved career coaching providers and intermediaries is fluid and can be accessed [here](#).

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### **4. | PREPARE WORKERS WITH DIGITAL SKILLS TRAINING**

In addition to the efforts undertaken in HB 1243-2024 to address digital development in high schools, new legislative efforts also address expanding STEM offerings in the postsecondary and workforce training spaces. Via HEA 1001-2023, Next Levels Jobs Workforce Ready Grant funding was tripled to \$12M. The Next Level Jobs Employer Training Grant maintained funding at just over \$17M.

HB 1001-2024 enables recipients of 21<sup>st</sup> Century Scholars and Frank O'Bannon Grants to apply funds to the cost of training by an approved intermediary, employer, or labor organization. Additionally, "digital skills" were added to allowable usage of state funds for Department of Workforce Development Adult Education via HEA 1609-2023.

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## **5. | INCENTIVIZE COLLEGE GRADUATION RATES FOR KEY DEGREES**

The Indiana Commission for Higher Education received funding via HEA 1001-2023 in the higher education funding formula which will include a metric for STEM (i.e. 'key degrees') for Indiana's public institutions.

Ivy Tech Community College and Purdue University launched the Green2Gold program in January 2024 to produce and retain more engineers. Ivy Tech's Columbus campus will pilot the program which gives students an opportunity to earn a combined associate's degree in engineering from Ivy Tech and a bachelor's degree in engineering from Purdue. The program can serve as a model that may be replicated across the states in other key industries.

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## **6. | INCENTIVIZE COLLEGES FOR IN-STATE RETENTION**

The Indiana Commission for Higher Education received prospective funding via HEA 1001-2023 in the higher education funding formula which will include a metric for graduate retention for Indiana's public institutions. The metric will use wage records data to identify students who work go on to work for an Indiana employer upon graduation. Details are being finalized and this effort is expected to be operational in preparation for the 2025-2027 biennium.

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## **7. | BOLSTER STEM DEVELOPMENT VIA IU/PURDUE REALIGNMENT**

HEA 1001-2023 allocated \$120M to support the Indiana University/Purdue University Indianapolis (IUPUI) strategic realignment. Members of the Governor's Workforce Cabinet are actively working with Indiana University (IU) and Purdue University on a bold 50-year strategic plan, which includes increasing STEM graduates. IU will double Indianapolis enrollment in the Luddy School of Informatics, Computing and Engineering — the nation's first school of informatics. Drawing on dedicated funds appropriated by the Indiana General Assembly, IU will also invest \$60 million to significantly expand and renovate research and laboratory space and up to

\$10 million to attract 30 new STEM faculty. IUPUI begins its next chapter as two separate universities, IU Indianapolis and Purdue in Indianapolis, on July 1, 2024.

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## **8. | DEFINE WORK-BASED LEARNING AND BUILD A WORK-BASED LEARNING STUDENT-EMPLOYER CONNECTOR MODEL**

HEA 1002-23 builds the framework for a work-based learning student-employer connect model. Intermediaries will be a key component of this effort and will support intentional student, school and employer connections and participation. The intention is to connect students and employers earlier and provide potential employment options for those not pursuing postsecondary studies. The Governor's Workforce Cabinet, Indiana Department of Education, Indiana Commission for Higher Education, Indiana Department of Workforce Development and the Indiana Chamber are working on a shared definition of work-based learning. HB 1001 (2024) expands this model into the postsecondary, workforce training/work-based learning spaces after high school graduation.

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## **9. | SCALE INDIANA'S NEXT LEVEL PROGRAMS OF STUDY**

Through additional funding via HEA 1001-2023, state K-12 tuition support for Career & Technical Education (CTE) courses is expected to grow to over \$200M this coming school year, representing a 15% increase. Reimbursement for CTE certification exam fees, originally funded at \$200K per year, received an annual appropriation of \$2M. The annual Perkins state match received additional funding via HEA 1001-2023, increasing from \$494K to \$744K. HB 1001-2024 expands tuition support for postsecondary and workforce training by enabling recipients of 21<sup>st</sup> Century Scholars and Frank O'Bannon Grants to apply funds to the cost of training by an approved intermediary, employer, or labor organization.

At the Federal level, H.R. 6585: the Bipartisan Workforce Pell Act aims to increase the affordability of skills-based credentials to meet employer workforce demand. This legislation would expand Pell Grant eligibility to include high-quality, short-term education programs. The act also aims to ensure programs provide students with relevant education and competencies necessary for employment in in-demand industries.



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## 10. | ADVOCATE FOR EMPLOYMENT-BASED IMMIGRATION REFORM

Governor Eric Holcomb, along with Utah Governor Spencer Cox, called on Congress to end its two-decade standoff on setting immigration policy and to support immigration sponsorship by the states. Similar to visa sponsorship authority employers and universities have already, this policy would allow each state to sponsor the desired number of visas each year – up to a limit set by Congress – for the specific types of jobs they need to fill.

Immigration sponsorship would give states a dynamic means to attract new residents both from a pool of new applicants and from the ranks of current asylum seekers. The policy would also expand the states' responsibility for the contributions and success of immigrants in American life.

MORE INFO: [To solve our national immigration crisis, let states sponsor immigrants](#), *The Washington Post*, 2/21/2023

# PILLAR II: REMOVING BARRIERS FOR WORKERS

*To ensure Indiana can deliver the training and skills needed for a modern workforce.*

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## 11. | PROVIDE MONETARY SUPPORT TO REMOVE STUDENT BARRIERS

The establishment of a student Career Scholarship Account via HEA 1002-2023 will help provide monetary support for career coaching, dual enrollment costs, transportation to/from work, and other barriers that might prevent a student from working.

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## 12. | EXPAND TRANSPORTATION OPTIONS FOR WORKING YOUTH

Identifying and funding additional transportation options for working youth will be partially addressed through HEA 1002-2023 and a student's establishment of a Career Scholarship Account, as transportation to/from work will be an allowable use of funds (see Recommendation #11).

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## 13. | INCREASE ACCESS TO EARLY LEARNING SERVICES

The Indiana Family and Social Services Administration's (FSSA) Office of Early Childhood and Out-of-School Learning is awarding another \$6.9 million in employer-sponsored childcare grants, bringing the total investment to \$25 million. Forty employers plan to provide on-site childcare to their employees, and 15 will offer childcare tuition benefits to their workers. The remaining awardees plan to support childcare for their employees in a variety of other ways, such as reserving seats at partner childcare centers.

Governor Eric Holcomb's 2024 Next Level Agenda includes several early childhood education items through administrative action and Senate Bill (SB) 2-2024, all of which expand the supply and sustainability of high-quality child care providers by better attracting, retaining, and training its workforce. In January, Governor Holcomb added early childhood education and child care credential training options to the state's Next Level Jobs Workforce Ready Grant and Employer Training Grant (see Recommendation #26). SB 2-2024 would provide dedicated free or reduced cost child care to most employees of licensed child care facilities, encouraging and supporting this vital workforce. It will also inform ongoing workforce attraction and retention efforts through a statewide child care

employee compensation study. Among other provisions that will improve access to early learning services, the bill accelerates systematic regulatory reforms without sacrificing health and safety protections. The legislative package also requires the Indiana Economic Development Corporation to annually report to the general assembly regarding funds dedicated to supporting childcare under specified state and federal programs and for FSSA to provide monthly information regarding state and federal childcare subsidies available to Indiana residents.

MORE INFO: <https://www.in.gov/fssa/carefinder/>

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#### **14. | INCREASE ADULT EDUCATION FUNDING AND LAUNCH UNEMPLOYMENT INSURANCE BONUS**

The Governor's budget, HEA 1001-2023, substantially increased funding for Indiana Department Workforce Development (DWD) Adult Education, adult charter high schools, and the Workforce Diploma Reimbursement Program. Additional funding is meant to provide more services and accommodate people on waiting lists. Increases include:

- Department of Workforce Development – increases funding from \$12.9M in FY23 to \$16.9M in FY24 and \$20.9M in FY25
- Adult Learner/Charter High School Funds (via Indiana Department of Education directly to adult high schools) – increases funding from \$40.3M in FY23 to \$44.5M in FY24 and \$52.5M in FY 25
- Workforce Diploma Reimbursement Program (via Governor's Workforce Cabinet) – increases funding from \$1M in FY23 to \$1.5M in FY24 and \$1.5 in FY25

HEA 1609-2023 also accomplished several key reforms for adult education. The approval process for use of adult education funds was modernized and state funds can now be spent the same as federal funds. The legislation created a new definition of “adult education and literacy activities” (federal terminology) in relation to the allowable usage of state appropriations. This aligns Indiana state investments with the flexibility of federal Workforce Innovation and Opportunity Act (WIOA) adult education funds.

- Under current law, not less than 25% of state funds may be spent on employer-training partnerships. The remainder could only be spent on adult basic education.
- Effective July 1<sup>st</sup>, that 25% threshold remains to specify at least that much must be spent on two of the new “adult education and literacy activities”: “Workforce preparation activities” and/or “Integrated education and training” (a federal designation).

In addition, the request for a second competency-based assessment was granted. DWD now has the flexibility to offer a competency-based diploma alongside its preexisting authority to provide High School Equivalency (HSE) diplomas.



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### **15. | INCREASE EMPLOYERS OFFERING ON-SITE EDUCATION AND TRAINING**

The Governor’s budget, HEA 1001-2023, maintained Next Level Jobs Employer Training Grant appropriation at \$17M and increased funding and flexibility for adult education services – many offered at employer sites. For example, the Indiana Department of Workforce Development had a waiting list of nearly 60 employers that were interested in Integrated Education and Training opportunities for their employees. HEA 1002-2023 has work-based learning opportunities including pre-apprenticeships and youth apprenticeships.

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### **16. | SIMPLIFY AND AUTOMATE THE EXPUNGEMENT PROCESS**

No bill pursued or filed.

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### **17. | AUTO-ENROLL FINANCIALLY ELIGIBLE STUDENTS IN 21<sup>ST</sup> CENTURY SCHOLARS**

This was included in the Governor’s 2023 agenda and then codified via HEA 1449-2023, which requires the Indiana Commission for Higher Education to work with the Indiana Department of Education to identify and auto enroll students who qualify for the statewide grant program that funds lower income student attendance at two- and four-year post-secondary schools.

Students and their parents must be notified about their eligibility for the program. While eligible students will be auto enrolled, students and parents have the option to participate and can opt out at any time. Already this school year, eligible students in the high school classes of 2027 and 2028 have been automatically enrolled and the enrollment process has begun for the class of 2029.

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### **18. | REQUIRE HIGH SCHOOL STUDENTS TO FILE THE FAFSA**

The Governor signed into effect Senate Enrolled Act (SEA) 167-2023 which requires all Indiana students, with exceptions, to submit the Free Application for Federal Student Aid (FAFSA) during their senior year of high school to help them learn about the post-

secondary education financial assistance opportunities available to them. Filing the FAFSA is the first step toward accessing over \$400 million in state financial aid and billions of dollars in federal aid. Indiana high school graduates left \$76 million in Pell Grant funds on the table in 2023 by not completing the FAFSA.

Based on FAFSA filing rates for the high school graduating class of 2022, Indiana was ranked 29th in the nation. The Indiana Commission for Higher Education (CHE) anticipates the FAFSA completion requirement will boost Indiana's ranking and has set a goal to have at least 60% of high school seniors complete the current FAFSA by Indiana's priority deadline, April 15, 2024. Overall, CHE seeks to increase the total FAFSA filing rate including high school seniors, adult learners, and returning students by at least five percent from the previous year.

Indiana is the 8th state to adopt a FAFSA completion requirement. Other states include Louisiana (implemented class of 2018), Illinois (2021), Alabama (2022), Texas (2022), California (2023), New Hampshire (2024), and Kansas (2028). Some of these states have seen more than a 25% increase in FAFSA completion rates since implementation. Indiana is hopeful it will experience similar success.

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## **19. RESTORE FRANK O'BANNON GRANT FUNDING TO PRE-RECESSION LEVELS**

In Fall 2022, the Frank O'Bannon Grant received a historic increase of 35% increase to the maximum base-award amounts, added to adjust for inflation since the Great Recession. The maximum award increased to \$6,200 for a student attending a public institution and \$12,400 for a student at a private institution. Those award amounts went into effect during the 2023-24 academic year. The Frank O'Bannon Grant is Indiana's largest need-based financial aid award, with eligibility determined by the FAFSA.

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## **20. | INCREASE ACCEPTANCE OF CREDIT FOR PRIOR LEARNING**

The Indiana Commission for Higher Education (CHE) received approval from Strada Education Network to reallocate \$375K in Rapid Recovery funds it originally granted to move forward with Phase III of a statewide Credit for Prior Learning policy and "Clearinghouse 2.0" work during the summer/fall of 2023.

In addition, CHE is building upon recommendations from the Veterans' Taskforce (summer 2023) to expand recognition of military training (e.g., Joint Services Transcript) for Credit for Prior Learning.

# PILLAR III: PREPARING FUTURE SKILLED WORKERS

*To meet Hoosiers where they are and help remove obstacles to work and learning.*

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## 21. | RETHINK HIGH SCHOOL BY INCREASING DIPLOMA FLEXIBILITY

Section 10 of HEA 1002-2023 requires the State Board of Education (SBOE), in consultation with the Indiana Department of Education, to establish new high school diploma requirements to replace the existing requirements. SBOE will set new diploma/graduation requirements via the administrative rulemaking process, which will begin at the board meeting on March 27th when the initial proposed rule will also be released. The new high school diploma requirements must be implemented via administrative rule by Dec. 2024. The new diploma will focus on increasing course flexibility for students so they have more opportunities to engage in high quality work-based learning and earn credentials of value.

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## 22. | INCREASE ACCESS TO CREDENTIALS OF VALUE

HEA 1002-2023 established the Career Scholarship Account (CSA) Program, which provides students access to funds for qualified expenses, including costs associated with enrolling in and attending Indiana Department of Education (DOE) approved course sequences, career courses, apprenticeship programs (including modern youth apprenticeships), and programs of study leading to industry-recognized credentials. Ultimately, DOE can limit approval to course sequences and programs of study that culminate in a “credential of value” rather than increase access to credentials generally. By February 16<sup>th</sup>, DOE will open the application for new CSA programs which students may sign up for the 2024/25 school year. Also, tripling Next Level Jobs Workforce Ready Grant—which was in the Governor’s 2023 agenda and as-filed budget – will increase participation in adult education which also incorporates access to credentials of value.

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### **23. | INCENTIVIZE COMPLETION OF CREDENTIALS OF VALUE IN HIGH SCHOOL**

The legislature restructured the existing Career and Technical Education (CTE) Grant to incentivize completion of credentials of value in high school. The tuition support formula now consists of two separate components: the CTE Program Enrollment Grant – based on enrollment in high-, moderate-, and less-than-moderate value programs – and the newly established Credential Completion Grant. The Indiana Department of Education (DOE) is in the final stages of finalizing the credentials of value list, working in concert with the Commission for Higher Education, Department of Workforce Development, and Governor’s Workforce Cabinet. DOE will begin distributing Credential Completion Grants in early summer.

Additionally, HEA1001-2023 established Academic Performance Grants within state tuition support to incentivize schools for students completing associate degrees and Indiana College Core while in high school. It also created Credential Completion Grants which incentivize credentials of value, such as industry-recognized credentials and certificates.

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### **24. | INCREASE ACCESS TO HIGH-QUALITY STEM CURRICULUM AND OPPORTUNITIES**

The Indiana Department of Education (DOE) will cultivate and approve a list of high-quality STEM curriculum schools may use when adopting curriculum at the local level. The first round of STEM curriculum will be approved in late spring with full curricular lists being available by December 2024. Schools are not required to adopt STEM curriculum from the DOE-approved list; however, schools will likely look to this list when adopting new curriculum.

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### **25. | STRENGTHEN THE EDUCATOR PIPELINE IN STEM-RELATED SUBJECTS**

HEA 1001-2023 allocates up to \$1.2M in grants to postsecondary institutions to support programs and initiatives dedicated to increasing student enrollment and improving student scores in math and science AP courses. HEA 1590-2023 amended the law so that professional learning opportunities for educators regarding digital learning are now eligible by way of David C. Ford technology funds. That legislation also expanded grant eligibility under the Next Level Computer Science Grant Program to allow state-accredited schools, providers, and vendors to apply directly for teacher professional development grants.

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## **26. | FOCUS EARLY CHILDHOOD EDUCATION PROGRAMS ON EDUCATIONAL RESULTS**

Through administrative action, Governor Eric Holcomb added early childhood education and childcare credential training options as eligible programs under the Next Level Jobs Workforce Ready Grant and Employer Training Grant. This will help grow the state's childcare and preschool workforce pipeline by ensuring professionals are well prepared and receive the necessary tools and training to prioritize the safety and education of young Hoosiers.

Together with expanded childcare capacity (Recommendation #13), the Dolly Parton Imagination Library (Recommendation #27), and increased access to On My Way Pre-K, this policy will increase the quality of early childhood education while increasing access to opportunities.

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## **27. | INCREASE KINDERGARTEN READINESS BY ESTABLISHING A DOLLY PARTON LIBRARY OF INDIANA**

The Dolly Parton Imagination Library was established with \$6M from HEA 1001-2023 with a 50% local match. This initiative is being led by the Indiana State Library. As of February 2024, there are 72 counties with total coverage and 5 counties with partial coverage. This month (February 2024), 92,500 Hoosier children age-five-and-under will receive books — up from 65,017 when Governor Eric Holcomb signed the program into legislation.

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## **28. | ENSURE STUDENTS CAN READ BY THE END OF THIRD GRADE**

HEA 1590-2023 bolsters existing policies geared toward ensuring students can read by the end of 3rd grade. HEA 1001-2023 also contains requirements related to literacy and the science of reading. These literacy-related bills are designed to:

- Require all school corporations adopt curriculum aligned to the science of reading
- Require schools with an IREAD-3 pass rate below 70% to employ an instructional coach trained in the science of reading
- Require K-5 teachers licensed after June 30, 2025 to obtain a literacy endorsement
- Require teacher preparation programs and licensure to include curriculum aligned to the science of reading and prepare participants to obtain the literacy endorsement

- Require school corporations to differentiate pay of teachers obtaining the required literacy endorsement, thereby incentivizing teachers to participate in literacy training
- Provide the Indiana Department of Education (DOE) with an appropriation of up to \$20M to support literacy initiatives
- Provide DOE with an appropriation of \$10M to obtain the final \$10M Lilly Endowment Matching Grant

Building on these key 2023 efforts, Governor Holcomb added a host of other initiatives to his 2024 agenda. Senate Bill (SB) 1-2024 contains many of these priorities including a requirement for screening in grades K-2 to identify those at risk of not being proficient in reading by the end of 3<sup>rd</sup> grade. The data from these screeners will be used to deploy targeted interventions to at-risk students. The legislation also encourages summer school for students at the end of grade 2 and grade 3 who are not on track to be proficient readers. The legislation primarily focuses on proactive identification and support measures, but, in addition to these efforts, strengthens Indiana’s retention policies to ensure students will not be automatically promoted to 4<sup>th</sup> grade if they have not mastered basic reading skills. Senate Bill (SB) 1-2024 focuses on ensuring students have mastered reading before moving beyond 3<sup>rd</sup> grade; however, the Governor and DOE are also championing Senate Bill (SB) 6-202 which will identify and target interventions for students in grades 4-8 who are not reading proficiently.

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### **29. | AWARD “SECOND YEAR” OF COLLEGE TO HIGH SCHOOL DUAL CREDIT/CERTIFICATE COMPLETERS**

No bill pursued or filed.

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### **30. | ENSURE A STACKABLE CREDENTIAL ATTAINMENT SYSTEM**

The Indiana Commission for Higher Education continues to work on the stackability of credentials and degrees as well as streamlining the transfer of credit.



The Governor's Workforce Cabinet was formed to ensure a talent-driven education and workforce system by addressing current and future needs for Indiana employers and individuals, strengthen Indiana's economy by integrating state and federal resources, and provide strategic alignment for state agencies and organizations driving workforce, education and economic development.

The Governor's Workforce Cabinet is comprised of business and community leaders, education representatives from K-12 and postsecondary institutions, Indiana lawmakers and experts from state agencies. Members are appointed by the Governor and represent Indiana's 12 economic growth regions.

The recommendations reflect the combined work of the Governor's Workforce Cabinet members and partners. Participation does not imply blanket endorsement for recommendations.