

2011 Public Policy Agenda

In keeping with the vision of the Indiana Community Action Association (IN-CAA) to have a state with limited or no poverty, where its residents have decent, safe, and sanitary living conditions, and where resources are available to help low-income individuals attain self-sufficiency and the goal of the Indiana Institute for Working Families (Institute) to help Hoosier families achieve and maintain economic self-sufficiency, all policy and legislative recommendations are based on the culmination of the Institute's analysis of research, data, information, and national best practice models.

Based on the Institute's research throughout the 2010 calendar year, the 2011 policy agenda will focus on three main areas:

- Higher Education;
- Protecting Work Support and Asset Development Programs; and
- Standardizing the Definition of Self-Sufficiency.

Higher Education

- **Use existing state dollars to create a state scholarship or tuition assistance program to help more adult workers upgrade their skills or further their education.** More students than ever before are so called "non-traditional" students. They are older than 24, (the cut-off for being considered a "traditional age student") have jobs, homes, and families. However, there remains a distinct disconnect between the State's economic goals of elevating the skill and educational attainment levels of its workforce and the financial aid dollars allocated for the same population. The solution to producing a workforce that is prepared to compete in the 21st century economy is dependent upon the state investing in education from kindergarten all the way through four-year postsecondary institutions.

Leveraging current public investments would provide additional financial state dollars dedicated to help Hoosiers already in the workforce pursue a postsecondary degree. . The Institute supports the recommendations of Indiana Commission on Higher Education (ICHE) and the State Student Assistance Commission of Indiana (SSACI) regarding the repurposing of state dollars to meet the financial aid needs of adult students. As outlined in the report produced by ICHE and SSACI, *The Funding of Indiana's College Scholarship Programs: A Study Conducted Jointly by the Indiana Commission for Higher Education and the State Student Assistance Commission of Indiana*, freeing current public investments could be accomplished by moving fiscal responsibility for Veteran's scholarship programs over to the Department of Veteran's Affairs or considering the Pell

Grant in the state financial aid calculation would give the state the ability to serve more Hoosiers.

- **Encourage employers to offer Lifelong Learning Accounts (LiLAs) to assist their employees in financing educational and skills attainment opportunities.** LiLAs are a way to assist workers to achieve their career goals. LiLAs are employer-matched, portable, employee-owned accounts used to finance education and training. LiLAs encourage the creation of a partnership between workers and employers to effectively leverage resources to increase productivity, improve recruitment and retention, and meet the changing needs of our economy. LiLAs are intended to supplement, not replace, existing employer-supported tuition assistance programs.

The Council for Adult and Experiential Learning (CAEL) launched a LiLA pilot project in 2001. The program consisted of a phased rollout in three different geographical areas and four different industries: the Chicago area's restaurant trade, the manufacturing and public sectors in northeast Indiana, and the health-care industry in San Francisco. The program ended in 2007. From 2001 to 2007, the program participants saved (with the matches from employers) almost half a million dollars that was used for education and training. As of June of 2005, 53 percent of the participants had taken at least one course. CAEL has helped to set up four other LiLA programs in: Maine, Illinois, San Francisco and Kansas City and would like to see LiLAs become a standard part of benefit and compensation packages.

- **Create an interagency council on middle-skill credentials.** Middle-skill jobs, which require more than a high-school diploma but less than a four-year degree, make up the largest part of Indiana's labor market. Despite the current economic downturn, key industries in Indiana are still struggling to find sufficiently trained workers to fill these jobs. The interagency council on middle-skills credentials would work in partnership with the State Workforce Innovation Council to examine existing national industry skills standards or the need for new skill standards for the Indiana's high-wage, high-demand occupations. These skill standards should emphasize the attainment of industry-recognized, objectively assessed credentials as opposed to institutionally granted certificates. This will ensure that public investments are closing industry skill gaps and helping Indiana's workforce to receive the most up-to-date education and training that will qualify them for jobs in Indiana's longstanding and emerging industries and advance in their chosen fields.
- **Eliminate Indiana's March 10th application deadline for filing the Free Application for Federal Student Aid (FAFSA).** The FAFSA form requires a student or their parent to use a tax return to complete the application. However, Indiana's FAFSA deadline is before the deadline by which taxes must be filed. If a student does not meet the March 10th application deadline the student is disqualified from receiving state financial aid until the next academic year. This applies solely to Indiana's grant programs. However, students in Indiana may submit an incomplete FAFSA and have until May 15th to file amendments or changes to the document, but many are unaware of this fact.

Students who complete the FAFSA after the March 10th deadline are still eligible for both federal financial aid and subsidized and unsubsidized student loans. Due to the FAFSA being complicated for first-time college students and adult students, twenty-three states and the District of Columbia have set FAFSA deadlines later than March 10th. Several other states have created secondary deadlines later in the year for first-time college students and community college students. Setting a new deadline later in the year will provide more time for students to determine if they will enroll in college and to file their tax returns before filing their FAFSA. This could improve numbers of adult students who apply for and receive financial aid. However, if a successful education and outreach campaign about how to apply for state financial aid and the FAFSA were to be conducted, the imposition of the March 10th deadline could be negated.

Protecting Work Support and Asset Development Programs

- **Indiana should invest in human capital and maintain current funding levels for work support programs and asset development programs.** Due to declining state revenues and state budget cuts many work support programs, such as Temporary Assistance to Needy Families (TANF), Supplemental Nutritional Assistance Program (SNAP), and public health care programs may see reductions in funding. However, during this recessionary period Hoosier families are having a difficult time simply getting by and these programs are crucial to keeping many working families above the Federal Poverty Guidelines (\$18,310 for a family of three in 2010). Additionally, many asset development programs including Indiana's Earned Income Tax Credit and Individual Development Accounts, which help working families out of poverty may also see reductions in funding at a time when Indiana's asset poverty rate is increasing.

Asset poverty is a measure that expands the notion of poverty to establish a minimum threshold of wealth needed for household security. A household is asset poor if it has insufficient net worth to support itself at the Federal Poverty Guidelines (\$18,310 for a family of three in 2010) for three months in the absence of income. Even middle-income families face asset poverty. In the Indiana, 19% of those earning \$44,801-\$68,800 are asset poor. Significant cuts to work support and asset development programs would be harmful to Hoosier families, especially as the State's median household income has declined 5 percent and poverty has increased significantly during this recession.

A Standardized Definition of Self-Sufficiency

- **Indiana should utilize the Indiana Self-Sufficiency Standard as the definition of "self-sufficient" or "economic self-sufficiency" in relation to its workforce development and work support programs.** Throughout both Indiana Code and Indiana Administrative Code, there are 20 references made to "self-sufficiency" and two meanings of self-sufficiency discussed in Indiana law. One meaning, refers to the ability to care for oneself on a basic level (i.e. hygiene, dressing, living on one's own), is referenced nine times. The second meaning, that refers to "economic self-sufficiency" or the ability to support oneself and one's family without outside financial assistance, is

alluded to 11 times. This latter connotation to self-sufficiency is not defined anywhere in Indiana Code.

Currently, policies pertaining to the State's Temporary Assistance for Needy Families program and various programs within the Department of Workforce Development list "promoting economic self-sufficiency" as program objectives. The Institute recommends that the *Indiana Self-Sufficiency Standard* be used as the official definition of economic self-sufficiency. The Indiana Self-Sufficiency Standard is a research-based, geographically-specific measure of the amount of income needed for a family to meet their basic needs without relying on government assistance. In addition to providing a formal definition for economic self-sufficiency, the Standard could be used more extensively in Work One centers as a part of job counseling and career exploration with clients. The State could also utilize the Standard in determining funding priorities for education and training grants. Career pathways that pay self-sufficient wages, as defined by the Standard, should be the goal of all training and employment initiatives in Indiana.