

FY 2014

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Training and Employment Services

TRAINING AND EMPLOYMENT SERVICES

TABLE OF CONTENTS

Appropriation Language	1
Explanation of Language Change	6
Summary of Changes	9
Summary Budget Authority and FTE by Activity	11
Budget Authority by Object Class	14
Budget Activities	17
Adult Employment and Training Activities.....	17
Youth Activities	29
Dislocated Workers Employment and Training Activities	41
Workforce Innovation Fund.....	55
Indian and Native American Programs.....	63
Migrant and Seasonal Farmworkers	73
Women in Apprenticeship	83
Youthbuild	91
Pilots, Demonstration and Research	101
Reintegration of Ex-Offenders.....	109
Evaluation	121
Workforce Data Quality Initiative	129
Job Training for Employment in High Growth Industries.....	135

TRAINING AND EMPLOYMENT SERVICES

APPROPRIATION LANGUAGE

(including transfer of funds)

For necessary expenses of the Workforce Investment Act of 1998 (referred to in this Act as "WIA"), the Second Chance Act of 2007, and the Workforce Innovation Fund, as established by this Act, \$3,387,405,000, plus reimbursements, shall be available. Of the amounts provided:

(1) for grants to States for adult employment and training activities, youth activities, and dislocated worker employment and training activities, \$2,683,766,000 as follows:

(A) \$791,644,000 for adult employment and training activities, of which \$79,644,000 shall be available for the period July 1, 2014, through June 30, 2015, and of which \$712,000,000 shall be available for the period October 1, 2014 through June 30, 2015;

(B) \$846,632,000 for youth activities, which shall be available for the period April 1, 2014 through June 30, 2015; and

(C) \$1,045,490,000 for dislocated worker employment and training activities, of which \$185,490,000 shall be available for the period July 1, 2014 through June 30, 2015, and of which \$860,000,000 shall be available for the period October 1, 2014 through June 30, 2015:

Provided, That notwithstanding the transfer limitation under section 133(b)(4) of the WIA, up to 30 percent of such funds may be transferred by a local board if approved by the Governor: Provided further, That a local board may award a contract to an institution of higher education or other eligible training provider if the local board

TRAINING AND EMPLOYMENT SERVICES

determines that it would facilitate the training of multiple individuals in high-demand occupations, if such contract does not limit customer choice: Provided further, That notwithstanding section 128(a)(1) of the WIA, the amount available to the Governor for statewide workforce investment activities shall not exceed 7.5 percent of the amount allotted to the State from each of the appropriations under the preceding subparagraphs;

(2) for federally administered programs, \$582,401,000 as follows:

(A) \$220,859,000 for the dislocated workers assistance national reserve, of which \$20,859,000 shall be available for the period July 1, 2014 through June 30, 2015, and of which \$200,000,000 shall be available for the period October 1, 2014 through June 30, 2015: Provided, That funds provided to carry out section 132(a)(2)(A) of the WIA may be used to provide assistance to a State for statewide or local use in order to address cases where there have been worker dislocations across multiple sectors or across multiple local areas and such workers remain dislocated; coordinate the State workforce development plan with emerging economic development needs; and train such eligible dislocated workers: Provided further, That funds provided to carry out section 171(d) of the WIA may be used for demonstration projects that provide assistance to new entrants in the workforce and incumbent workers: Provided further, That none of the funds shall be obligated to carry out section 173(e) of the WIA;

(B) \$47,562,000 for Native American programs, which shall be available for the period July 1, 2014 through June 30, 2015;

(C) \$84,291,000 for migrant and seasonal farmworker programs under section 167 of the WIA, including \$78,105,000 for formula grants (of which not

TRAINING AND EMPLOYMENT SERVICES

less than 70 percent shall be for employment and training services), \$5,678,000 for migrant and seasonal housing (of which not less than 70 percent shall be for permanent housing), and \$508,036 for other discretionary purposes, which shall be available for the period July 1, 2014 through June 30, 2015: Provided, That notwithstanding any other provision of law or related regulation, the Department of Labor shall take no action limiting the number or proportion of eligible participants receiving related assistance services or discouraging grantees from providing such services;

(D) \$79,689,000 for YouthBuild activities as described in section 173A of the WIA, which shall be available for the period April 1, 2014 through June 30, 2015; and

(E) \$150,000,000 to be available to the Secretary of Labor (referred to in this title as “Secretary”) for the Workforce Innovation Fund to carry out projects that demonstrate innovative strategies or replicate effective evidence-based strategies that align and strengthen the workforce investment system in order to improve program delivery and education and employment outcomes for beneficiaries, which shall be for the period July 1, 2014 through September 30, 2015: Provided, That amounts shall be available for awards to States or State agencies that are eligible for assistance under any program authorized under the WIA, consortia of States, or partnerships, including regional partnerships: Provided further, That not more than 5 percent of the funds available for workforce innovation activities shall be for technical assistance and evaluations related to the projects carried out with these funds: Provided further, That the

TRAINING AND EMPLOYMENT SERVICES

Secretary may authorize awardees to use a portion of awarded funds for evaluation, upon the Chief Evaluation Officer's approval of an evaluation plan: Provided further, That \$10,000,000 of the funds provided for the Workforce Innovation Fund shall be used for innovative and evidence-based approaches to improving outcomes for disconnected youth, which may include Pay for Success projects: Provided further, That up to \$20,000,000 of the funds provided for the Workforce Innovation Fund (in addition to any funds for disconnected youth) may be used for performance-based awards or other agreements under the Pay for Success program: Provided further, That any funds obligated for Pay for Success projects or agreements shall remain available for disbursement until expended, notwithstanding 31. U.S.C. 1552(a), and that any funds deobligated from such projects or agreements shall immediately be available for Workforce Innovation Fund activities: Provided further, That \$50,000,000 of the funds provided for the Workforce Innovation Fund shall be for projects that demonstrate innovative strategies or replicate effective evidence-based strategies that address the employment needs of veterans (including recently separated veterans), family members of active duty military personnel, or members of the National Guard and Reserves.

(3) for national activities, \$121,238,000, as follows:

(A) \$25,000,000, in addition to any amounts available under paragraph (1), for Pilots, Demonstrations, and Research, which shall be available for the period April 1, 2014 through June 30, 2015;

TRAINING AND EMPLOYMENT SERVICES

(B) \$90,238,000 for ex-offender activities, under the authority of section 171 of the WIA and section 212 of the Second Chance Act of 2007, which shall be available for the period April 1, 2014 through June 30, 2015, notwithstanding the requirements of section 171(b)(2)(B) or 171(c)(4)(D) of the WIA: Provided, That of this amount, \$20,000,000 shall be for competitive grants to national and regional intermediaries for activities that prepare young ex-offenders and school dropouts for employment, with a priority for projects serving high-crime, high-poverty areas; and \$10,000,000 shall be used for performance-based awards or other agreements under the Pay for Success program relating to ex-offender activities: Provided further, That, with respect to the preceding proviso, any funds obligated for Pay for Success projects or agreements shall remain available for disbursement until expended, notwithstanding 31 U.S.C. 1552(a), and that any deobligated funds from such projects or agreements shall immediately be available for ex-offender activities;

(C) \$6,000,000 for the Workforce Data Quality Initiative, under the authority of section 171(c)(2) of the WIA, which shall be available for the period July 1, 2013 through June 30, 2014, and which shall not be subject to the requirements of section 171(c)(4)(D).

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

TRAINING AND EMPLOYMENT SERVICES

EXPLANATION OF LANGUAGE CHANGE

The Administration proposes several changes for FY 2014 to the appropriations language under the Training and Employment Services (TES) heading from the language enacted in FY 2012.

The changes would include the elimination of funding to carry out the Women in Apprenticeship and Non-Traditional Occupations Act of 1992 (WANTO). Other workforce programs are available to provide the assistance currently provided under WANTO. To eliminate this separate funding, the reference to WANTO in the paragraph preceding paragraph (1) that was contained in the FY 2012 TES language is deleted, as is the appropriation to WANTO that was contained in paragraph (2)(D) of TES.

Also deleted from the paragraph preceding paragraph (1) is the inclusion among the uses of TES funds the “purchase and hire of passenger motor vehicles, the construction, alteration and repair of buildings and other facilities and the purchase of real property for training centers as authorized by WIA”. These activities relate to the Job Corps program, which used to be funded under TES but is now funded under its own heading.

The TES language is changed in the last proviso in paragraph (1) to allow States to reserve up to 7.5 percent of the allotments for the Adult, Dislocated Worker, and Youth formula programs for statewide activities. WIA allows a 15 percent reservation from these allotments for statewide activities, but since FY 2011, provisos in TES have limited that amount to 5 percent to ensure that local allocations could be maintained and to take into account carry over funds that were available for statewide activities. For FY 2014, an increase from 5 percent to 7.5 percent is included to restore some statewide activities funding to assist States to conduct monitoring of and support to the local areas in carrying out the formula programs, including the American Job Center system.

In addition, there are several language changes included in the appropriation for the Workforce Innovation Fund (WIF) under national activities in paragraph (2)(E) of TES. First, a proviso is added after the second proviso to allow the Secretary of Labor to authorize WIF awardees to use a portion of the funds awarded for evaluation purposes if the Department’s Chief Evaluation Officer approves the evaluation plan. This would allow States to evaluate various features of their innovative projects, and approval by the CEO helps to ensure coordination with Federal evaluations and other State or grantee evaluations. The grant funds that are used by awardees for evaluations are intended to be in addition to the up to 5 percent of the appropriation made available to the Secretary of Labor for technical assistance and evaluations in the second proviso under this subparagraph.

Second, a proviso is added to require that \$10 million of the WIF appropriation be used for projects to assist disconnected youth, which may include Pay for Success projects. It is essential to identify projects that will help youth who are disconnected from education and employment to reconnect to obtain further education and sustainable employment.

TRAINING AND EMPLOYMENT SERVICES

Third, two provisos are added to allow up to \$20 million of the WIF appropriation to be used for performance-based awards or other agreements under the Pay for Success program. Given the time period that may be necessary to carry out and evaluate some of these projects, any funds obligated will remain available for disbursements until expended. If funds for these projects are deobligated, for example, because a grantee failed to meet performance criteria required to receive funding, those funds would remain available for other WIF projects.

Fourth, a proviso is added to require that \$50 million of WIF funding be dedicated to projects that address the employment needs of veterans (including recently separated veterans), family members of active duty personnel, or members of the National Guard and Reserves. These funds are intended to complement the additional funding provided for Job for Veterans State Grants under the Veterans Employment and Training Service heading. Younger and recently separated veterans are currently experiencing special challenges in obtaining employment after separation. These innovative WIF projects could help to identify service designs and activities that accelerate or enhance the reemployment of these groups. In addition, with all the burdens military families face, it is appropriate to include WIF projects that will help to alleviate some of those burdens by providing assistance to those family members that will facilitate their employment and enable them to better support the family while a member is on active duty. Finally, the National Reserve and Guard have borne many burdens and responsibilities to help maintain the nation's security, so it is appropriate that WIF funding also be available to assist these personnel in receiving the assistance they need to obtain and retain good jobs.

With respect to paragraph (3)(A) providing national activities funding for Pilots, Demonstrations and Research, an outdated proviso from FY 2012 has been deleted that authorized the transfer of funds that had been designated for young parents projects to be used for other projects or to implement the VOW Act.

In paragraph (3)(B) providing national activities funding to assist ex-offenders in obtaining employment, language has been added to require \$10 million of that appropriation be used for performance-based awards or Pay for Success projects or agreements. Funds obligated for those projects are to be available for disbursement until expended, or if deobligated, will remain available to fund employment assistance projects for ex-offenders.

Finally, the Administration proposes striking the separate appropriation for evaluations that was included as a national activity under paragraph (3)(C) in the FY 2012 enacted language. The FY 2014 budget proposes that up to 1 percent of TES funds, in addition to the same percentage of funds under other specified headings, be available for use by the Department's Chief Evaluation Officer to carry out coordinated and comprehensive evaluation activities. In light of this proposal to allow the transfer of funds to the CEO for evaluations, a separate appropriation for evaluation in TES is unnecessary.

TRAINING AND EMPLOYMENT SERVICES

AMOUNTS AVAILABLE FOR OBLIGATION¹						
(Dollars in Thousands)						
	FY 2012²		FY 2013³		FY 2014	
	Revised Enacted		Full Year C.R.		Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	\$1,423,383	0	\$1,429,387	0	\$1,615,405
Reduction Pursuant to P.L. 112-74 for FY 2012	0	-\$2,691	0	\$0	0	\$0
Pursuant to P.L. 113-2 for Hurricane Sandy Relief and Recovery			0	\$25,000		
<i>Subtotal Appropriation</i>	<i>0</i>	<i>\$1,420,692</i>	<i>0</i>	<i>\$1,454,387</i>	<i>0</i>	<i>\$1,615,405</i>
Non-Expenditure Transfer to WHD for Hurricane Sandy Relief and Recovery			0	-\$1,002		
Non-Expenditure Transfer to OSHA for Hurricane Sandy Relief and Recovery			0	-\$2,250		
<i>Subtotal Appropriation</i>	<i>0</i>	<i>\$1,420,692</i>	<i>0</i>	<i>\$1,451,135</i>	<i>0</i>	<i>\$1,615,405</i>
Offsetting Collections From: Fees	0	\$125,000	0	\$125,000	0	\$125,000
Advance Appropriation	0	\$1,772,000	0	\$1,772,000	0	\$1,772,000
Reduction Pursuant to P.L. 112-74 for FY 2012	0	\$0	0	\$0	0	\$0
B. Gross Budget Authority	0	\$3,317,692	0	\$3,348,135	0	\$3,512,405
Non-Expenditure Transfer to WHD for Hurricane Sandy Relief and Recovery			0	\$1,002		
Non-Expenditure Transfer to OSHA for Hurricane Sandy Relief and Recovery			0	\$2,250		
Offsetting Collections To: Fees	0	-\$125,000	0	-\$125,000	0	-\$125,000
C. Budget Authority Before Committee	0	\$3,192,692	0	\$3,226,387	0	\$3,387,405
Non-Expenditure Transfer to WHD for Hurricane Sandy Relief and Recovery			0	-\$1,002		
Non-Expenditure Transfer to OSHA for Hurricane Sandy Relief and Recovery			0	-\$2,250		
Offsetting Collections From: Fees	0	\$125,000	0	\$125,000	0	\$125,000
D. Total Budgetary Resources	0	\$3,317,692	0	\$3,348,135	0	\$3,512,405
Unobligated Balances Expiring	0	\$941	0	\$0	0	\$0
E. Total, Estimated Obligations	0	\$3,316,751	0	\$3,348,135	0	\$3,512,405

¹ Amounts represent program year funding, not fiscal year availability.

² Does not reflect rescissions to the PY 2012 Advances included in P.L. 113-6.

³ The non-expenditure transfer from TES to OSHA is \$1,250,000 higher than what is reflected in the DOL chapter of the Appendix, Budget of the United States Government, Fiscal Year 2014, as part of the transfer was approved after the Appendix was completed.

TRAINING AND EMPLOYMENT SERVICES

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2012 Revised Enacted	FY 2014 Request	Net Change
Budget Authority			
General Funds	\$3,192,692	\$3,387,405	+\$194,713
Total	\$3,192,692	\$3,387,405	+\$194,713

Full Time Equivalents			
General Funds	0	0	0
Total	0	0	0

Explanation of Change	FY 2012 Base		Trust Funds		FY 2014 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	0	\$0	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$0	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$0	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$15,371	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$0	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$0	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$3,177,321	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$0	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	0	+\$3,192,692	0	\$0	0	\$0	0	\$0
B. Programs:								
Workforce Innovation Fund	0	\$49,906	0	\$0	0	\$100,094	0	\$100,094
WIA Dislocated Worker Activities	0	\$1,008,151	0	\$0	0	\$37,339	0	\$37,339
Pilots, Demonstrations, and Research Older Americans Pilot	0	\$0	0	\$0	0	\$25,000	0	\$25,000
Increase in Youth Activities	0	\$824,353	0	\$0	0	\$22,279	0	\$22,279
Increase to WIA Adults	0	\$770,811	0	\$0	0	\$20,833	0	\$20,833
Reintegration of Ex-Offenders Pay for Success	0	\$80,238	0	\$0	0	\$10,000	0	\$10,000
Programs Subtotal	0	\$0	0	\$0	0	+\$215,545	0	+\$215,545
Total Increase	0	\$3,192,692	0	\$0	0	+\$215,545	0	+\$215,545
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0

TRAINING AND EMPLOYMENT SERVICES

Explanation of Change	FY 2012 Base		Trust Funds		FY 2014 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
B. Programs:								
Evaluation Funding Shift Pilots, Demonstrations, and Research Funding Shift	0	\$9,563	0	\$0	0	-\$9,563	0	-\$9,563
Mass Layoff Statistics Elimination	0	\$6,603	0	\$0	0	-\$6,603	0	-\$6,603
WANTO Elimination	0	\$224,066	0	\$0	0	-\$3,207	0	-\$3,207
Decrease to WDQI	0	\$996	0	\$0	0	-\$996	0	-\$996
	0	\$6,463	0	\$0	0	-\$463	0	-\$463
Programs Subtotal			0	\$0	0	-\$20,832	0	-\$20,832
Total Decrease	0	\$0	0	\$0	0	-\$20,832	0	-\$20,832
Total Change	0	\$3,192,692	0	\$0	0	+\$194,713	0	+\$194,713

TRAINING AND EMPLOYMENT SERVICES

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY¹								
(Dollars in Thousands)								
	FY 2012 ² Revised Enacted		FY 2013 ³ Full Year C.R.		FY 2014 Request		Diff. FY 14 Request / FY 12 Rev. Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Adult Employment and Training Activities	0	770,811	0	771,171	0	791,644	0	20,833
General Funds	0	770,811	0	771,171	0	791,644	0	20,833
Formula Grants	0	770,811	0	771,171	0	791,644	0	20,833
General Funds	0	770,811	0	771,171	0	791,644	0	20,833
Youth Activities	0	824,353	0	829,398	0	846,632	0	22,279
General Funds	0	824,353	0	829,398	0	846,632	0	22,279
Youth Employment and Training Activities	0	824,353	0	829,398	0	846,632	0	22,279
General Funds	0	824,353	0	829,398	0	846,632	0	22,279
Dislocated Workers Employment and Training Activities	0	1,232,217	0	1,233,271	0	1,266,349	0	34,132
General Funds	0	1,232,217	0	1,233,271	0	1,266,349	0	34,132
Formula Grants	0	1,008,151	0	1,009,058	0	1,045,490	0	37,339
General Funds	0	1,008,151	0	1,009,058	0	1,045,490	0	37,339

¹ Amounts represent program year funding, not fiscal year availability.

² Does not reflect rescissions to the PY 2012 Advances included in P.L. 113-6.

³ FY 2013 Full Year C.R. does not include \$25,000,000 for the Dislocated Workers National Reserve for expenses related to Hurricane Sandy, as provided in the Disaster Relief Appropriations Act, 2013, P.L. 113-2. Of this amount, \$3,252,000 has been transferred to the Occupational Safety and Health Administration and the Wage and Hour Division for Hurricane Sandy reconstruction and recovery activities via a non-expenditure transfer.

TRAINING AND EMPLOYMENT SERVICES

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY¹								
(Dollars in Thousands)								
	FY 2012 ² Revised Enacted		FY 2013 ³ Full Year C.R.		FY 2014 Request		Diff. FY 14 Request / FY 12 Rev. Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
National Reserve	0	224,066	0	224,213	0	220,859	0	-3,207
General Funds	0	224,066	0	224,213	0	220,859	0	-3,207
Workforce Innovation Fund	0	49,906	0	50,211	0	150,000	0	100,094
General Funds	0	49,906	0	50,211	0	150,000	0	100,094
Indian and Native American Programs	0	47,562	0	47,853	0	47,562	0	0
General Funds	0	47,562	0	47,853	0	47,562	0	0
Migrant and Seasonal Farmworkers	0	84,291	0	84,807	0	84,291	0	0
General Funds	0	84,291	0	84,807	0	84,291	0	0
Women in Apprenticeship	0	996	0	1,002	0	0	0	-996
General Funds	0	996	0	1,002	0	0	0	-996
YouthBuild	0	79,689	0	80,177	0	79,689	0	0
General Funds	0	79,689	0	80,177	0	79,689	0	0
Pilots, Demonstrations and Research	0	6,603	0	6,643	0	25,000	0	18,397
General Funds	0	6,603	0	6,643	0	25,000	0	18,397

TRAINING AND EMPLOYMENT SERVICES

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY¹								
(Dollars in Thousands)								
	FY 2012² Revised Enacted		FY 2013³ Full Year C.R.		FY 2014 Request		Diff. FY 14 Request / FY 12 Rev. Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Reintegration of Ex-Offenders	0	80,238	0	80,729	0	90,238	0	10,000
General Funds	0	80,238	0	80,729	0	90,238	0	10,000
Evaluation	0	9,563	0	9,622	0	0	0	-9,563
General Funds	0	9,563	0	9,622	0	0	0	-9,563
Workforce Data Quality Initiative	0	6,463	0	6,503	0	6,000	0	-463
General Funds	0	6,463	0	6,503	0	6,000	0	-463
Total	0	3,192,692	0	3,201,387	0	3,387,405	0	194,713
General Funds	0	3,192,692	0	3,201,387	0	3,387,405	0	194,713

TRAINING AND EMPLOYMENT SERVICES

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
	Full-Time Equivalent				
	Total	0	0	0	0
	Average ES Salary	\$0	\$0	\$0	\$0
	Average GM/GS Grade	0	0	0	0
	Average GM/GS Salary	\$0	\$0	\$0	\$0
	Average Salary of Ungraded Positions	0	0	0	0
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
22.0	Transportation of things	0	0	0	0
24.0	Printing and reproduction	0	0	0	0
25.1	Advisory and assistance services	15,371	15,466	15,371	0
25.2	Other services from non-Federal sources	0	0	0	0
25.3	Other goods and services from Federal sources 1/	0	0	0	0
41.0	Grants, subsidies, and contributions	3,177,321	3,185,921	3,372,034	194,713
42.0	Insurance claims and indemnities	0	0	0	0
	Total	3,192,692	3,201,387	3,387,405	194,713
	1/Other goods and services from Federal sources				

TRAINING AND EMPLOYMENT SERVICES

APPROPRIATION HISTORY¹					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2003 Advance for 2004....	2,463,000	2,463,000	2,463,000	2,448,468	
2004... ²	2,488,986	2,614,039	2,677,588	2,682,465	0
2004 Advance for 2005....	2,463,000	2,463,000	2,463,000	2,344,296	
2005... ^{3,4,5}	2,863,292	2,649,728	2,914,662	2,879,183	0
2005 Advance for 2006... ^{5,6}	2,438,000	2,463,000	2,463,000	2,439,620	
2006... ⁵	3,404,949	2,658,792	2,787,806	2,625,888	0
2006 Advance for 2007....	2,463,000	2,463,000	2,463,000	2,438,000	
2007	1,949,405	2,504,209	996,832	2,791,341	0
2007 Advance for 2008....	2,463,000	1,772,000	1,772,000	1,741,043	
2008... ^{7,8}	2,776,972	1,758,530	1,815,138	1,804,268	0
2008 Advance for 2009....	1,772,000	0	1,772,000	1,772,000	
2009... ⁹	1,338,600	0	1,854,448	1,854,448	0
2009 Advance for 2010....	1,772,000	1,772,000	0	1,772,000	
2010	2,061,563	2,030,961	0	2,056,530	0
2010 Advance for 2011....	1,772,000	0	0	1,772,000	
2011... ¹⁰	2,153,475	0	2,105,478	1,572,497	0
2011 Advance for 2012.... ¹¹	1,772,000	0	1,772,000	1,768,651	
2012...	1,854,947	0	1,538,247	1,420,692	0
2012 Advance for 2013.... ¹²	1,772,000	0	0	1,772,000	
2013	1,459,812	0	0	0	0
2013 Advance for 2014....	1,772,000	0	0	0	
2014	1,615,405	0	0	0	0

¹ Amounts represent program year funding, not fiscal year availability.

² Reflects a 0.59% across-the-board rescission pursuant to P.L. 108-199

³ Reflects a 0.80% across-the-board rescission pursuant to P.L. 108-447

⁴ Reflects a portion of \$18,000,000 rescission to Labor/HHS/Educ pursuant to P.L. 108-447.

⁵ Reflects a 1.0% government-wide rescission pursuant to P.L. 109-148.

⁶ Reflects a \$25,000,000 decrease in Job Corps Construction, Rehabilitation, and Acquisition

⁷ Reflects 1.747% rescission pursuant to P.L. 110-161.

⁸ Excludes \$250,000,000 for Recovery Act pursuant to P.L. 111-5.

⁹ This bill was only reported out of Subcommittee and was not passed by the Full House.

¹⁰ Reflects a 0.2% across-the-board rescission pursuant to P.L. 112-10.

¹¹ Reflects a 0.189% across-the-board rescission pursuant to P.L. 112-74.

¹² Does not reflect rescission from P.L. 113-6.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	770,811	771,171	791,644	20,833
FTE	0	0	0	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Introduction

The WIA Adult formula program provides employment and training services for disadvantaged, low-skilled, and underemployed adults, including veterans, within the public workforce system. The program is well positioned to meet the needs of adult job seekers and support the economic recovery by helping adult customers understand their skills in the context of the current labor market and improve those skills so they can find good jobs with career pathways. Specifically, the WIA Adult formula program:

- Supports an economy that is built to last by aligning the skills of American workers with needs of businesses so they can compete in the rapidly evolving job market of the 21st century;
- Transforms the unemployment system into a reemployment system by providing adult job seekers with job placement, career counseling, skills-training, credential attainment, and labor exchange services that make it possible for disadvantaged, low-skilled, and underemployed adult workers to get back to work quickly;
- Puts veterans back to work by providing priority of service to veterans and eligible spouses, and by supporting veterans-specific initiatives - including the Gold Card Initiative and the Veteran Retraining Assistance Program; and
- Offers seamless service delivery with multiple workforce-related programs housed in American Job Center. A consolidated entry point provides, and the best value in terms of positive outcomes for job seekers and business customers by capitalizing on the administrative efficiencies and shared resources.

Even as the unemployment rate has begun to decline overall to 7.7 percent¹ in February, 2013, from a high of 10 percent in October 2009, disadvantaged, low-skilled, and underemployed adults are still at risk of being left behind in the strengthening economy. The unemployment rate for adults without a high school diploma has remained above the national average at 11.2 percent,² while the unemployment rate for adults with only a high school diploma is 7.9 percent. Comparatively, for those with some college but less than a bachelor's degree the rate is 6.7 percent, and for those with a bachelor's degree or higher it is 3.8 percent. It is clear that as adults develop new and more advanced skills, they are more likely to find a job.

¹ Bureau of Labor Statistics Data, Employment Situation Summary, February 2013.

² Bureau of Labor Statistics Data, Table 4, Employment Status of the Civilian Population 25 Years and over by Educational Attainment, February 2013.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

Additionally, industries that previously employed a large number of low-skilled adults (such as basic manufacturing) will no longer be drivers of the economy, replaced instead by job growth in occupations that require some postsecondary education or training.³

If graduation and credential attainment rates continue at their current levels, employers could experience significant shortages in skilled workers, constraining economic growth and increasing the risk that jobs will be permanently lost. It is evident that the recent economic downturn will have lingering effects on both adult job seekers and employers. Therefore it is essential that adult job seekers are provided with the new skills and higher education opportunities that will be required of an American economy that is built to last.

Even in today's challenging economic environment, the WIA Adult program has been successful in meeting the needs of businesses and workers served through the American Job Center system. There is a body of evidence to support the effectiveness of WIA Adult employment and training services for increasing the skills, credentials, employment, and earnings of program participants. A 2011 evaluation of Washington State's workforce programs found that adults served through WIA had higher employment and earnings than non-participants three quarters following their participation in the program.⁴ Similarly, a 2008 study of WIA Adult participants in 12 states found "large and immediate impacts on earning and employment for individuals who participated in the WIA adult program,"⁵ while a 2005 study of WIA services in seven states found that WIA participants, especially those who received training, were more likely to be employed and to have higher earnings than non-participants.⁶

As the Program Year 2011 WIA Adult data suggest, WIA-supported job training services helped individuals enter employment during one of the most challenging labor markets since the Great Depression. The entered employment rate was over 70 percent for program participants who received training compared to only 55.6 percent for those who did not receive training services. In addition, the employment retention rate and six-month average earnings for individuals who received training services were also significantly higher than those of participants who only received core and intensive services. Individuals who received training services had an employment retention rate of 87.2 percent and six months average earnings of \$16,987 compared to an employment retention rate of 79.5 percent and six months average earnings of \$12,745 for those who did not receive training.

³ Bureau of Labor Statistics, Employment Projections 2010-2020.

⁴ Washington State Workforce Training and Education Coordinating Board, Results of the Net Impact Study of 12 Workforce Programs, April, 2011.

⁵ Carolyn Heinrich, Peter Mueser and Kenneth Troske, Workforce Investment Act Non-Experimental Net Impact Evaluation, Final Report, IMPAQ International, December 2008.

⁶ Kevin Hollenbeck, Daniel Schroeder, Christopher T. King and Wei-Jang Huang, Net Impact Estimates for Services Provided through the Workforce Investment Act, U.S. Department of Labor, Employment and Training Administration, October 2005.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$861,540	0
2010	\$860,116	0
2011	\$769,576	0
2012	\$770,811	0
2013	\$771,171	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Funding Mechanism

WIA programs operate on a program year (PY) calendar. Therefore funds appropriated in FY 2014 are available from July 1, 2014 through June 30, 2015. WIA Adult funding allotments for states are based on formula provisions defined by legislation. Under Title I of WIA, formula funds are provided to states and outlying areas for the operation of both Adult and Dislocated Worker employment and training activities, in accordance with 29 USC 2861. States, in turn, distribute resources by formula to local workforce investment areas. The WIA allotments for outlying areas are based on a formula as authorized under WIA Title I.

FY 2014

In 2014, it will be critical to continue to provide unemployed job seekers and underemployed workers the services they need to find new jobs. However, the impact of the recession resulted in much higher rates of unemployment among disadvantaged and low-skilled adults. The immediate employment and training needs of low-skilled adults must be addressed to prevent this disadvantaged population from slipping further out of the middle class. To address the acute unemployment levels of these population groups anticipated in 2014, the Department requests \$791,664,000 to operate the WIA Adult program in all 50 states and five territories. This is an increase of \$20,833,000 above the 2012 enacted level. The entirety of the requested increase is to support the increase in the statewide reserve allocation from 5 to 7.5 percent without reducing the amount of funding allocated to local areas.

For the past three fiscal years (2011- 2013), states have been limited to a maximum of five percent of WIA formula funds to carry out required statewide activities, such as site monitoring, audits, and technical assistance to low performing areas. Continued funding at the capped five percent level could result in less rigorous oversight and increased fiscal risk. In 2014, the Department will increase statewide reserve funding to 7.5 percent to allow for oversight and accountability activities and help improve performance in targeted local areas. At this funding level, an estimated 4,463,487 individuals will receive services through the WIA Adult formula-funded program at an average cost of \$177.36 per participant.

The Department has set an entered employment rate target of 57.9 percent, an employment retention rate target of 80.1 percent, and a six months average earnings target of \$15,086 for the WIA Adult program in 2014. In order to meet these targets, the Department will focus on

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

improving the employment prospects for millions of Americans, particularly those who are identified as low-skilled, disadvantaged, or displaced, including veterans, so they can take advantage of available jobs in high-growth sectors. By focusing on high-demand skills and industries, the Department can shift its programmatic approach to serving job seekers in the context of a re-employment system rather than simply an unemployment system. The Department will address the challenge of increasing job seeker competitiveness in a knowledge-based economy by emphasizing the following goals:

- **Increasing Credential Attainment and Promoting Tailored Training Strategies to Meet the Unique Needs of Low-skilled Adults.** Because credential attainment is strongly associated with improved labor market outcomes for workers, the Department will increase the impact of Adult formula resources by working with the states and local areas to increase the percent of exiters receiving an industry-recognized credential in PY 2014. The Department also will continue to work with the U.S. Department of Education to jointly encourage states to leverage Adult Basic Education and post-secondary education programs delivered through community colleges and other community organizations and explore other available training resources beyond those provided by the Department, such as Federal Pell Grants.

In regard to education and credential attainment, Bureau of Labor Statistics data shows that:

- During the recession, unemployment rates for individuals with a high school diploma or less were over five percentage points higher than for individuals with some post-secondary education, and nearly nine percentage points higher than individuals with a bachelor's degree or higher.
 - In 2011 the weekly earnings of an individual with some college or an associate's degree were 15 percent higher than an individual with only a high school diploma and nearly 64 percent higher than an individual with less than a high school diploma.
 - Fifteen percent of U.S. adults lack a high school diploma or General Equivalency Degree and another 30 percent have only a high school diploma. Collectively, these individuals make up over half of today's unemployed adults.
 - Adults without a high school diploma are not only more likely to be unemployed, but they can each cost the Federal government \$671 every year in temporary cash assistance and in-kind benefits.
- **Institutionalizing the Practice of Data-driven Decision-making.** The Department will continue to emphasize the use of available evidence in the development of strategies and other decision making, both at the service delivery and systems levels of the public workforce system.
 - **Providing Seamless Dual-customer Service through American Job Centers.** The public workforce system coordinates a range of federally funded training programs and services through its American Job Centers that address the specific and varying needs of its business and job-seeker customers. These complementary programs make the public workforce system uniquely positioned to best address and adapt to

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

the emerging needs of workers and businesses, and will allow the system to continue to offer the best value-per-participant in terms of positive outcomes for job seekers, employers, and State Workforce Agencies.

- Providing for low-income Priority of Service. The WIA Adult program offers the option to provide a priority of service for intensive and training services to adults who are on public assistance or are classified as “low-income,” when funds are limited. WIA Adult data for April 1, 2010 through March 31, 2011, indicates that over half of all intensive or training services in the WIA Adult program have gone to low-income adults.⁷

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

The WIA Adult program was appropriated \$770,811,000 in 2012. At this funding level, an estimated 4,610,665 individuals will receive services through the Adult formula-funded programs, based on an average cost of \$167.18 per participant. The Department set an entered employment rate target of 56.7 percent, an employment retention rate target of 80.1 percent, and a six months average earnings target of \$14,450. In order to meet these targets, the Department promoted and implemented a number of strategies, including:

- Increasing the Rate of Industry-recognized Credential Attainment among Customers who Receive Training. Research shows that training resulting in a meaningful credential increases employment rates and allows individuals to maintain or improve their incomes.⁸
- Tailoring Training Strategies to the Unique Needs of Low-skilled Adults. Research shows that low-skilled adults experience better education and employment outcomes in training programs that provide integrated education and occupational skills education, are provided in an accelerated and contextualized format, and are delivered through partnerships that include the workforce system, educational institutions, community-based organizations and employers.⁹ Successful programs make

⁷ PY 10 WIASRD Data book 4/1/10-3/31/11. 253,906 Low income adult exiters receiving intensive or training services out of 497,454 total receiving intensive or training services.

⁸ Strawn, Julie. 2010. *Testimony Before the Subcommittee on Income Security and Family Support, Committee on Ways and Means, U.S. House of Representatives, April 22, 2010*. Washington, DC: Center for Law and Social Policy.

⁹For information on the effectiveness of integrated education and training for increasing credential attainment, see Davis Jenkins, Matthew Zeidenberg, Gregory Kienzl. *Educational Outcomes of I-BEST, Washington State Community and Technical College System's Integrated Basic Education and Skills Training Program: Findings from a Multivariate Analysis*. Working Paper, Teachers College, Columbia University, New York:

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

extensive use of wrap-around services, including subsidies for transportation, childcare, income supports and other needs-related payments.

- Increasing Training in Advanced Manufacturing, Health Care and other Economically Vital Industries. In order to ensure that workers are competitive in the changing economy, the Department will provide technical assistance to support training in sectors of projected growth.
- Developing Partnerships between the Public Workforce System and Education, Economic Development and Community-based Organizations. This strategy allows states and local service providers to align policies that meet the needs of low-income workers with wide-ranging supportive services.

CommunityCollegeResearchCenter, 2009, 31. For information on the effectiveness of sector strategies for increasing the earnings and employment of low-skilled adults, see the results of the random assignment evaluation conducted by Public/Private Ventures at http://www.ppv.org/ppv/publication.asp?section_id=26&search_id=&publication_id=325
http://www.ppv.org/ppv/publication.asp?section_id=26&search_id=0&publication_id=294

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

DETAILED WORKLOAD AND PERFORMANCE ¹								
	PY 2011 Enacted		PY 2012 ² Revised Enacted		PY 2013 Full Year C.R.	PY 2014 Request		
	Target	Result	Target	Result	Target	Target		
Adult Employment and Training Activities								
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.								
Outcome Goal 1.1 - Increase workers' incomes and narrow wage and income inequality.								
ETA-CH1- WIAAdult- GPRA-03	Six Months Average Earnings (WIA Adult)		\$12,865	\$13,457[r]	\$14,450	--	\$14,765	\$15,086
Outcome Goal 1.3 - Help workers in low-wage jobs or out of the labor market find a path into middle class jobs.								
ETA-CH1- WIAAdult- GPRA-01	Entered Employment Rate (WIA Adult)		53.1%	56.8%[r]	56.7%	--	57.1%	57.9%
	Entered Employment (Training)		--	71.20%	--	--	--	--
	Participants Served ³		4,741,396	7,012,100	4,610,665	--	4,478,605	4,463,487
	Cost Per Participant Served in Employment and Training Activities ⁴		\$162.31	\$109.94	\$167.18	--	\$172.19	\$177.36

¹ Because WIA reporting does not differentiate between formula and ARRA participants, a baseline was derived using a two-year average which comprises the participant workload of both the formula and ARRA funds.

² Does not reflect rescissions to the PY 2012 Advances in P.L. 113-6.

³ Because of the nature of WIA exiting which is used to determine participant levels, the total number of participants still includes ARRA funded participants. Until a new baseline that does not include ARRA funding can be determined, the previous cost per participant baseline is being used with an adjustment of 3% inflation for each Program Year.

⁴ The cost per participant and participants to be served figures are calculated before any set-asides are removed from the funding to implement these programs.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

DETAILED WORKLOAD AND PERFORMANCE¹						
	PY 2011 Enacted		PY 2012 ² Revised Enacted		PY 2013 Full Year C.R.	PY 2014 Request
	Target	Result	Target	Result	Target	Target
Outcome Goal 1.4 - Help middle-class families remain in the middle class.						
ETA-CH1- Employment Retention Rate (WIA Adult) WIAAdult- GPRA-02	73.10%	--	80.10%	--	80.10%	80.10%

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

Workload and Performance Narrative

The PY 2012-2014 targets for entered employment rate, employment retention rate, and six-month average earnings are based on a methodology developed by the Department for setting national performance targets using regression analysis. The regression uses program results from the prior year, current labor market conditions, and individual characteristics to correct for the effects of the business cycle and labor market conditions on the outcomes of employment and training programs, producing targets that objectively reflect the impact of the economic environment on program performance.

In addition to outcomes, the Department also measures workload in terms of the number of participants served by the program. In 2014, the Department projects that the program will serve 4,463,487 participants, a decrease of approximately 15,115 projected from 2013. These projections are developed using the cost per participant and are calculated before set asides are removed from the funding. Additional data is collected on the intensity of participant services.

For the past two years, ETA has focused its efforts on increasing credential attainment by public workforce system participants.

Federal Project Officers in regional offices monitor grantee performance regularly to ensure grantees are on target to meet performance goals. Such monitoring informs the design and delivery of technical assistance to improve performance. As part of program monitoring, the Department looks at the following system outputs:

- Number of people served by the program;
- Number of people that received training;
- Number of people that received intensive services;
- Number of people in training that received a credential; and
- Amount of funds spent.

It is important to note that in establishing the performance accountability system in WIA section 136, Congress specified the core indicators of performance and directed that these indicators should not apply to self-service and informational activities.

In addition to the measures noted above, the Department conducts evaluations of WIA formula programs to evaluate the specific strategies promoted to support goal achievement. The results of such evaluation and research are used to revise and develop new strategies. In 2014, the first impact findings from the WIA Adult and Dislocated Worker Programs Gold Standard Evaluation (WGSE) are expected. The WGSE is a random assignment evaluation of the formula programs' impacts on participants' post-program employment and earnings and their cost effectiveness. The evaluation will provide critical insight on the impact and cost effectiveness of intensive and training services for participants in the WIA program.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

Additional data is collected on the intensity of participant services based on the number served, exiters, and those with positive outcomes for entered employment:

PY 2011	WIA Adults
Total Participants	1,744,672
Core Only	1,125,092
Intensive Only	378,013
Training	241,567
Total Exiters	1,247,220
Core Only	819,226
Intensive Only	294,354
Training	133,640
Entered Employment	601,923
Core Only	372,703
Intensive Only	154,234
Training	74,986

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	0	0	0	0
41.0	Grants, subsidies, and contributions	770,811	771,171	791,644	20,833
	Total	770,811	771,171	791,644	20,833

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments \$0

Advisory and assistance services 0

Other services from non-Federal sources 0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program \$20,833

Direct FTE 0

	Estimate	FTE
Base	\$770,811	0
Program Increase	\$20,833	0

YOUTH ACTIVITIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	824,353	829,398	846,632	22,279
FTE	0	0	0	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Introduction

The WIA Youth program aligns with the Department of Labor’s goals by helping to cultivate an economy built on skills for American workers, specifically low-income youth with barriers to employment, by providing them with services that prepare them for employment and post-secondary education.

America’s youth and young adults are facing three challenges today that, if unaddressed, will have long-term consequences on the competitiveness of our nation: record youth unemployment; a high school dropout crisis; and, a shift to a knowledge and service-based economy – requiring greater levels of skills and education. According to the Bureau of Labor Statistics (BLS), in July 2012, unemployment for 16-24 year old youth reached an alarming rate of 17.1 percent (not seasonally adjusted), and one of the highest July rates since records began in 1948. The rate of unemployment that month for teens 16 to 19 years old was 24.5 percent. These rates are compared to the national unemployment rate of 8.6 percent (unadjusted for July). BLS also reported that in July 2012, the traditional summertime peak for youth employment, the proportion of the 16 to 24 year old population employed was only 50.2 percent.

The nation faces increased challenges in economic competitiveness in this 21st century global economy as large numbers of young people either drop out of high school, don’t complete high school on time, or leave high school underprepared. According to the National Center for Education Statistics, across the cohort of first-time ninth graders in 2005-06, only an estimated 75 percent graduated by the end of the 2008-09 school year. High school graduation rates were substantially lower for most minority groups that year, (66 percent for Hispanic students and 63.5 percent for Black students) and particularly for males. The Center for Labor Market Studies at Northeastern University suggests that young people who do not complete high school experience a wide array of labor market, earnings, social and income problems that exacerbate their inability to transition to careers from their mid-20s onward.¹

While too many youth are not completing high school, jobs paying family-sustaining wages increasingly require a post-secondary degree. BLS reports that occupations that typically need some type of post-secondary education for entry are projected to grow the fastest during the 2010-20 decade. Seventeen of the 30 occupations projected to have the fastest employment growth typically need some type of post-secondary education for entry into the occupation. In addition, projected employment growth is concentrated in the service sector, requiring young

¹ Sum. A. et al. 2009. “The Consequences of Dropping Out of High School: Joblessness and Jailing for High School Dropouts and the High Cost for Taxpayers.” Center for Labor Market Studies, Northeastern University.

YOUTH ACTIVITIES

people to have strong work readiness skills — such as communication, team-work, customer service, and problem-solving skills.

The Department, therefore, has emphasized training as a path to credential attainment to make youth more competitive in today's job market. By the end of 2013, the Department has set a goal to increase the percent of program exiters who earn industry-recognized credentials by 10 percent.

Considering the global competition for skilled labor, employment and training programs for youth is critical to the current and future competitiveness of our nation. The WIA Youth program is well-positioned to prepare youth for success in the knowledge-based economy. Under Title I of the WIA, Youth Activities funds are allotted by formula to states that in turn, allocate funds to local areas to deliver a comprehensive array of youth workforce investment activities. These activities help assure that youth obtain skills and knowledge to succeed in a knowledge-based economy, including growing and emerging industry sectors, such as health care and energy. WIA authorizes services to low-income youth (ages 14 through 21) with barriers to employment, including youth who are deficient in basic skills, are homeless, are runaways, are pregnant or parenting, or are ex-offenders, school dropouts, or foster children. The program serves both in- and out-of-school youth, including youth with disabilities, and other youth who may require additional assistance to complete an educational program or to secure and hold employment. Service providers prepare youth for employment and post-secondary education by stressing linkages between academic and occupational learning. They also assist youth by providing tutoring, alternative secondary school services, summer and year-round work experiences, occupational training, supportive services, leadership development opportunities, mentoring, counseling, and follow-up services.

The services offered through the WIA Youth program help ensure that low-income youth have job opportunities that will lead to higher wages. The services also help youth acquire the skills and knowledge necessary to succeed in the knowledge-based economy.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$924,069	0
2010	\$924,069	0
2011	\$825,914	0
2012	\$824,353	0
2013	\$829,398	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Funding Mechanism

WIA programs operate on a PY calendar. Funds obligated in FY 2014 are available from April 1, 2014 through June 30, 2015. Under Title I of WIA, formula funds are provided to states and local areas for the operation of WIA Youth training programs, in accordance with 29 USC 2851

YOUTH ACTIVITIES

Chapter 4. Funds for youth services are allotted to states that in turn, allocate funds to local areas based on a formula distribution as defined in Sec.127(b)(1)(C)(ii) of WIA.

FY 2014

To address the skill and youth employment needs anticipated in 2014, the Department requests \$846,632,000 for the WIA Youth program. These funds will serve an estimated 245,045 low-income youth who face barriers to employment. The requested funding will support increasing the statewide reserve from five to 7.5 percent without reducing the amount of funding allocated to local areas. For the past three fiscal years (2011- 2013), states have been limited to a maximum of five percent of WIA formula funds to carry out required statewide activities, such as site monitoring, audits, and technical assistance to low performing areas. Continued funding at the capped five percent level could result in less rigorous oversight and increased fiscal risk. Increased statewide reserve funding will increase oversight and accountability activities and help improve performance in targeted local areas.

The Department has set a target for placement in employment/education/training of 60.2 percent, a degree/certificate attainment target of 59.7 percent, and a literacy/numeracy gains target of 40.4 percent. In order to meet these targets, the Department will promote and/or implement a number of strategies within four focus areas: increasing credential attainment through promoting sector strategies; increasing work experience and training in the health care sector; implementing promising strategies identified through Workforce Innovation Fund (WIF) grantees; and, developing and expanding collaborative partnerships to leverage resources for youth participants.

To address the need for greater levels of skills and education, sectoral employment – an innovative workforce development approach – has shown evidence of success in helping job seekers access employment and training opportunities in demand and growing occupations. Sector-focused programs aim to connect disadvantaged job seekers and low-skilled workers to employment opportunities, addressing unmet hiring needs of local employers and improving participants’ prospects in the labor market.² Findings from a rigorous evaluation on sector-based programs showed that: 1) participants in sector-focused programs earned significantly more than control group members; 2) participants in sector-focused programs were significantly more likely to work and, in the second year, worked more consistently than control group members; 3) program participants were significantly more likely to work in jobs with higher wages; 4) program participants were significantly more likely to work in jobs that offered benefits; and 5) participants had significant earnings gains as compared to their counterpart controls.³ The Department will continue to emphasize sector-based strategies through its guidance and technical assistance as a promising approach to helping youth gain valuable, industry-recognized skills and credentials — connecting youth to good paying jobs and career pathway opportunities.

While youth continue to struggle with record youth unemployment, health care is one of the fastest-growing industries in the nation and can be an excellent field for youth who are at-risk,

²Tuning In to Local Labor Markets: Findings from The Sectoral Employment Impact Study; Public/Private Ventures, 2010

³ Ibid.

YOUTH ACTIVITIES

out-of-school, or have other barriers to employment. According to BLS, one-third of the projected fastest-growing occupations over the next decade are related to health care, reflecting expected increases in demand as the population ages and the health care and social assistance industry grows. According to BLS, of the 20.5 million new jobs this decade, the health care and social assistance sector is projected to gain the most jobs (5.6 million). Additionally, of the 22 major occupational groups, employment in health care support occupations is expected to grow most rapidly (34.5 percent) followed by healthcare practitioners and technical occupations (25.9 percent). Most workers in health care have positions that require less than four years of college education. For example, a job as an Electronic Health Record (EHR) Technician, which is expected to grow faster than average, typically requires a high school diploma with some post-secondary training. The Department is working with the Department of Health and Human Services (HHS) in order to help WIA youth participants' access good jobs in the health care field that have career ladder opportunities.

There is currently limited evaluation evidence identifying effective practices for serving disconnected youth. To build that evidence base, the Department is utilizing WIF grants that are implementing and evaluating strategies that deliver services more efficiently, achieve better outcomes, and facilitate cooperation across programs and funding streams. The 26 grants the Department awarded in 2012 emphasize building knowledge about effective practices through rigorous evaluation; translating "lessons learned" into improved labor market outcomes; and bringing such practices to scale in other geographic locations and increased cost efficiency in the broader workforce system. Grantee activities include: gathering data about service costs and evaluating strategies for improving efficiency; expanding virtual service delivery capacity as part of their grants; and more fully integrating state and federally funded employment and training programs. The Department will assist states and local areas to implement preliminary promising practices and lessons learned specific to disconnected youth identified during the first two years of WIF implementation.

The Department will continue to assist WIA Youth programs in developing collaborative partnerships and leveraging resources. Specifically, the Department will build on collaborative partnerships with HHS around utilizing Temporary Assistance for Needy Families (TANF) funds and increasing access to opportunities for youth in the health care sector, as well as partnerships with the Departments of Interior and Agriculture around utilizing funds for work experience on public lands. The Department will also explore partnership opportunities with the Department of Housing and Urban Development for youth residing in public housing and with the Department of Education in order to increase literacy skills for out-of-school youth deficient in basic skills.

In addition, the Department will continue to be an active participant in Federal interagency groups such as the Interagency Working Group on Youth Programs and the Interagency Forum on Disconnected Youth. The President's 2014 Budget proposes authority to establish up to 13 Performance Partnership Pilots to improve outcomes for disconnected youth involving up to \$130,000,000 in existing discretionary Federal resources. The proposed authority would enable states and local entities to seek Federal approval to blend funds from multiple funding sources and obtain waivers for such areas as program design, performance, and other requirements, in exchange for greater accountability for results. The Interagency Forum on Disconnected Youth will continue to explore how it can support innovative approaches that improve service delivery.

YOUTH ACTIVITIES

If authority is provided for Performance Partnership Pilots, the Department will both support pilot efforts as well as implement early lessons learned from such pilots.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

In 2012, the funding for the WIA Youth program was \$824,353,000.

In 2012, the Department published Training and Employment Guidance Letter (TEGL) No. 5-12 providing guidance for states and local workforce investment areas that emphasized a number of areas including: 1) effectively providing the ten WIA Youth program elements; 2) providing adequate support in helping youth complete learning and employment goals including conducting assessments, developing individual services strategies, increasing youth engagement and retention in programs, and providing quality follow-up services; and 3) developing the potential of youth as citizens and leaders including guidance on leadership development activities and mentoring.

In addition, the Department published TEGL No. 18-11 providing guidance to state and local workforce investment area staff and WIA Youth Program service providers to increase literacy and numeracy gains of out-of-school, basic skills deficient youth and to further clarify reporting policies and requirements. The TEGL emphasized the importance of literacy and numeracy skill development; program design, service delivery, staff development, and assessment for basic skills; strategies for partnering to provide basic literacy skills services, and reporting skill gains.

The Department continued its focus on developing collaborative partnerships at the Federal, state, and local levels for serving the youth most in need. These efforts included providing, through Training and Employment Notice (TEN) No. 33-11, the workforce system with Information Memoranda sent by the U.S. Department of Health and Human Services' Administration for Children and Families (ACF) to TANF jurisdictions, State CSBG offices, and local CSBG entities that encourage the use of TANF and CSBG funds for summer employment opportunities. The TEN also encouraged the public workforce system to partner with TANF jurisdictions, State CSBG offices, and local CSBG entities in their efforts to promote subsidized employment opportunities allowable under TANF and CSBG funding for the creation and expansion of subsidized summer employment for low-income youth. The Department also published TEN No. 45-11 sharing with the workforce system a joint memorandum by the Secretaries of the Interior and Agriculture, the Administrator of the U.S. Environmental Protection Agency, the Assistant Secretary of the Army, and the Chair of the Council on Environmental Quality to agency leadership recommending they encourage their respective field staff build on or create new partnerships to employ young Americans this summer, and providing

YOUTH ACTIVITIES

the workforce system with information on partnering with public land management agencies and conservation corps to create or expand summer employment opportunities for WIA youth on public lands.

YOUTH ACTIVITIES

DETAILED WORKLOAD AND PERFORMANCE						
	PY 2011 Enacted		PY 2012 Revised Enacted		PY 2013 Full Year C.R.	PY 2014 Request
	Target	Result	Target	Result	Target	Target
Youth Activities						
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.						
Outcome Goal 1.1 - Increase workers' incomes and narrow wage and income inequality.						
Percent of participants who achieve literacy or numeracy gains of one AE level	40.40%	41.50%	40.80%	--	40.70%	40.40%
Formula Grant Participants	249,747	245,045	238,597	--	240,057	245,045
Formula Grant Cost Per Participants	\$3,307.00	\$3,455.00	\$3,455.00	--	\$3,455.00	\$3,455.00
Outcome Goal 1.2 - Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including high-growth and emerging industries like "green" jobs.						
ETA-CH1-OWI-Youth-GPRA-01 Percent of participants who earn a diploma, GED, or certificate by the end of the third quarter after exit. (WIA Youth)	54.70%	62.60%	59.60%	--	59.70%	59.70%
ETA-CH1-OWI-Youth-GPRA-02 Percent of participants entering employment or enrolling in post-secondary education, the military or advanced training/occupational skills training in the first quarter after exit. (WIA Youth)	53.30%	59.30%	59.70%	--	59.90%	60.20%

Note: The cost per participant and participants to be served figures are calculated before any set-asides are removed from the funding to implement these programs.

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

YOUTH ACTIVITIES

Workload and Performance Narrative

The detailed workload and performance table provides estimates for the number of youth participants served through WIA Youth Activities. In 2014, the Department estimates \$3,455 as the average cost per participant for WIA Youth Activities.

The performance indicators for WIA Youth Activities include placement in employment and education (the percent of participants entering employment or enrolling in post-secondary education, the military, or advanced training/occupational skills training in the first quarter after exit); the degree/certificate attainment rate (measures the percent of participants who earn a diploma, GED, or certificate by the end of the third quarter after exit); and the literacy/numeracy gains measure (measures the percent of basic skills deficient participants who achieve literacy or numeracy gains of one educational functioning level).

The targets are based on a methodology developed by the Department for setting national performance targets using regression analysis. This regression uses program results from the prior year, current labor market conditions, and individual characteristics to correct for the effects of the business cycle and labor market conditions on the outcomes of employment and training programs, producing targets that objectively reflect the impact of the economic environment on program performance. These targets do not change based on specific levels of funding for the program. Data used to create these targets come from WIA Youth program results spanning the period 2000 to 2009. The Department developed these program-specific regression targets based on the most recent annual results. In the next few months, targets will be updated based on PY 2010 results.

The training and employment services delivered through the WIA Youth program are designed to address all three outcomes. States and local areas target their service delivery strategies to the specific needs of their employer and youth populations, and the Department provides policy and programmatic guidance to help states and local areas identify strategies that are beneficial in improving successful outcomes in the current economy. In the 2014 budget section, the Department outlines four specific strategies to achieve its performance targets for the WIA Youth program in the current economic environment, when the proportion of the youth population that are employed is at a record low.

Because credential attainment is associated with improved employment outcomes for workers, the strategy of increasing credential attainment should not only result in an increased degree/certificate attainment rate, but also result in improved placement outcomes. Given the projected growth in the health care sector, the strategy of assisting local areas to create additional training and work experience opportunities in the health care field will lead to increased employment rates and credential attainment for WIA youth participants. An increased focus on private sector employer engagement should lead to increased placement in employment as evidenced by the Mathematica evaluation.⁴ The strategy of partnering across agencies will result in better aligned and leveraged resources devoted to serving low-income, disconnected youth and provide more opportunities for

⁴Jeanne Belotti et al., *Reinvesting in America's Youth: Lessons from the 2009 Recovery Act Summer Youth Employment initiative*, Mathematica Policy Research..

YOUTH ACTIVITIES

such youth to receive work experiences, including summer employment. Research from the Center for Labor Market Studies suggests paid work experience may improve educational and employment outcomes for at-risk youth,⁵ therefore, the Department believes that increasing the opportunities for work experience for these youth is a promising strategy that may result in higher employment and increased high school graduation rates.

The Department monitors grantee performance regularly through Federal Project Officers in regional offices to ensure that they are on target to meet performance goals. Such monitoring informs the design and delivery of technical assistance to improve performance.

The Department also conducts evaluations of the WIA formula programs to assess the specific strategies promoted to support goal achievement. The results of such evaluation and research are used to update and develop new strategies. The Department has funded an implementation evaluation of the Recovery Act Summer Youth Employment Initiative and has issued a report from that study, *Reinvesting in America's Youth: Lessons from the 2009 Recovery Act Summer Youth Employment Initiative*. The Department is sponsoring three additional evaluation studies of summer youth employment initiatives under the Recovery Act: 1) an evaluation of post-summer 2009/2010 youth services; 2) an evaluation of Indian and Native American youth services, and 3) an evaluation of youth services funded with Temporary Assistance for Needy Families (TANF) Emergency Contingency funds. Reports for all three evaluations were published in January 2012 and will inform future program design and technical assistance efforts.

⁵Sum. A. et al. 2008. "The Historically Low Summer and Year Round 2008 Teen Employment Rate: The Case for An Immediate National Public Policy Response to Create Jobs for the Nation's Youth." Center for Labor Market Studies, Northeastern University.

YOUTH ACTIVITIES

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	0	0	0	0
41.0	Grants, subsidies, and contributions	824,353	829,398	846,632	22,279
	Total	824,353	829,398	846,632	22,279

YOUTH ACTIVITIES

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Advisory and assistance services	0
Other services from non-Federal sources	0
Grants, subsidies, and contributions	0

Built-Ins Subtotal **\$0**

Net Program **\$22,279**

Direct FTE **0**

	Estimate	FTE
Base	\$824,353	0
Program Increase	\$22,279	0

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	1,232,217	1,233,271	1,266,349	34,132
FTE	0	0	0	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Introduction

The WIA Dislocated Worker (DW) program serves as the primary vehicle to help workers who have lost their jobs as a result of layoffs gain new skills and find meaningful jobs in sectors that are projected to grow. The DW program is well-positioned to meet the needs of employers and enhance U.S. competitiveness by connecting industries' needs for a skilled workforce to the public workforce system's trained workers. Specifically, the DW program:

- Supports the creation of an economy that is built to last by helping align the skills of American workers with the emerging skill needs of business;
- Turns the unemployment system into a reemployment system by providing services that help dislocated workers obtain employment, such as career counseling, training that leads to credential attainment, and job placement;
- Puts veterans back to work by providing priority of service to veterans and eligible spouses and by utilizing existing system infrastructure to support veteran targeted initiatives such as the Gold Card Initiative and the Veteran Retraining Assistance Program; and
- Capitalizes on efficiencies obtained by housing multiple programs within the American Job Center network that allow the system to offer seamless services and the best value in terms of positive outcomes for job seekers and business customers.

Though the economy is strengthening, the U.S. is still experiencing high levels of unemployment. To support an American economy that is built to last, it is important that workers' skills align with the needs of businesses, and that these skills can be readily adapted as business needs evolve. Recent data from BLS indicates that between now and 2020 occupations that typically need some type of post-secondary education for entry are projected to grow fastest. In occupations in which registered apprenticeship is the typical on-the-job training (OJT), employment is expected to grow by 22.5 percent, faster than for any other OJT category. Occupations classified as needing an associate's degree are projected to grow by 18 percent.¹

As the need for skilled workers grows, state and local Workforce Investment Boards (WIBs) are strategically positioned to share information on the requirements of local industries and small businesses, and the skills available in the local labor market. In turn, WIBs guide the operations of the country's approximately 2,700 American Job Centers, guaranteeing that workforce development programs are well positioned to best serve local labor markets. There is strong

¹ <http://www.bls.gov/news.release/pdf/ecopro.pdf>.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

evidence to demonstrate the effectiveness of employment and training services for helping dislocated and unemployed workers gain new skills and find new jobs. During this challenging job market, while entered employment dipped for some federally funded employment and training programs, the Dislocated Worker program saw 80.6 percent of participants entering employment after training, in contrast to 57 percent for dislocated workers who did not receive training services.²

The DW program provides an array of employment, supportive, and training services to meet the needs of eligible job seekers who have been displaced from their jobs, and who are unlikely to return to employment in their previous industries (including recently separated veterans); formerly self-employed individuals; and displaced homemakers who have been dependent on the income of another family member but are no longer supported by that income. Basic core services include job search and placement assistance and real-time labor market information, while intensive services range from comprehensive skills assessments to career counseling and planning. For dislocated workers needing new or upgraded skills, training services are available, including but not limited to: occupational skills training, on-the-job training, workplace training and related instruction programs, skill upgrading and retraining, adult education and literacy training, and customized training. In addition, dislocated workers may receive supportive services, such as transportation, child care, and needs-related payments to assist them in entering into and remaining in training.

The Department believes the goal of the DW program should be to not only provide workers the skills needed to get a job, but also to have a career in a high-demand field. The Department has placed a priority on industry-recognized credential attainment in training because it has been shown to provide individuals with the skills and recognition necessary to build a career that will lead to increased wages. One net impact study of WIA services indicated that participation in training resulted in net increase in earnings of more than \$380 per quarter for employed WIA DW participants. This same study found that individuals receiving any WIA services increased employment by 10 percentage points.³

Additionally, a portion of DW program funds are held in a Dislocated Worker National Reserve that is used to support a range of DW related activities, including:

- National Emergency Grants (NEGs) which temporarily increase the capacity of state, local, and tribal governments to provide dislocated worker services in response to plant closings and mass layoffs, which are provided to eligible applicants through discretionary grants. The reemployment services provided through regular NEGs include core, intensive, and training services that are made available to dislocated workers under the formula DW program, as well as the supportive services needed to enable eligible individuals to participate in training and reemployment services. These services help to prepare workers for good jobs in high-demand occupations and further the Department's efforts to turn the unemployment system into a reemployment system. NEGs also

² http://www.doleta.gov/performance/results/pdf/PY_2010_WIASRD_Data_Book.pdf.

³ Hollenbeck, K., et al. *Net Impact Estimates for Services Provided through the Workforce Investment Act, 2005*. http://wdr.doleta.gov/research/keyword.cfm?fuseaction=dsp_puListingDetails&pub_id=2367&mp=y&start=81&sort=7

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

provide funding to create disaster relief employment to assist with the clean-up and recovery efforts for affected workers in areas declared eligible for public assistance, as defined by the Stafford Disaster Relief and Emergency Assistance Act, administered by the Federal Emergency Management Agency.

- DW demonstration, technical assistance, and training funds available through the National Reserve which promote strategies to help individuals earn credentials that strengthen reemployment outcomes, increase quality career guidance and training services, target hard-to-serve and disadvantaged dislocated worker populations, and promote workforce system innovation in both the DW formula program and NEGAs.
- Support for the United States' outlying areas to operate their DW programs.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$1,341,891	0
2010	\$1,410,880	0
2011	\$1,285,541	0
2012	\$1,232,217	0
2013	\$1,233,271	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Funding Mechanism

WIA programs operate on a PY calendar, and funds obligated in 2014 are from both PY 2013 and PY 2014. A portion of PY 2014 funds are made available on July 1, 2014, and the remaining funds are made available on October 1, 2014. Funding allotments for states and outlying areas are based on formula provisions defined by WIA legislation. Under Title I of WIA, formula funds are provided to states and outlying areas for the operation of both Adult and DW employment and training activities, in accordance with 29 USC 2861. States, in turn, distribute resources by formula to local workforce investment areas.

A portion of DW program funds are held in the National Reserve. The National Reserve funds NEGAs, demonstrations, technical assistance and training activities, and DW programs in the United States' outlying areas.

FY 2014

In order to deploy these strategies and achieve the outcome goals of the DW program, the Department requests \$1,266,349,000 for DW activities in 2014, an increase of \$34,132,000 from the 2012 enacted level. Additionally, the Department has chosen to eliminate the Mass Layoff Statistics program in both ETA and the Bureau of Labor Statistics so as to realign funding with this priority. Within ETA, this will yield savings of \$3,207,000, partially offsetting the increased funding for statewide reserves.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

The requested funding will support increasing the statewide reserve from five to 7.5 percent without reducing the amount of funding allocated to local areas. This request includes \$1,045,490,000 in DW formula funds and \$220,859,000 for the National Reserve to continue to meet unanticipated increases in demand for employment and training services throughout the country. For the past three years (2011- 2013), states have been limited to a maximum of five percent of WIA formula funds to carry out required statewide activities, such as site monitoring, audits, and technical assistance to low performing areas. Continued funding at the capped five percent level could result in less oversight and increased fiscal risk. The increase in statewide reserve funding will support rigorous oversight and accountability activities and help improve performance in targeted local areas. At the requested funding level, the DW formula grant program estimates it will serve 658,341 dislocated workers with an Entered Employment Rate of 59.6 percent, an Employment Retention Rate of 82.1 percent, and Six-Month Average Earnings of \$19,136. The NEG program projects an Entered Employment Rate of 71.7 percent, an Employment Retention Rate of 84.0 percent, and Six Months Average Earnings of \$18,709.

In order to meet these targets, the Department will provide states with guidance and technical assistance so that funds are used to provide high quality, data-driven job search assistance, career counseling, and training services to equip dislocated workers with in-demand skills that facilitate their reemployment and contribute to an American economy built to last. The Department will address the challenge of turning the unemployment system into a reemployment system by emphasizing three goals:

- **Increasing Skills and Facilitating Rapid Reattachment to the Labor Force.** The Department will maximize the investment of DW resources by promoting training that leads to credential attainment, transitioning unemployed individuals to reemployment in jobs that offer career pathways, and gathering and providing labor market information that quickly connects workers to employers. OJT and other training options, such as on-line training, will provide flexibility to meet the needs of adult learners and workers in transition. OJT gives participants a chance to "earn and learn," developing occupational skills while earning a paycheck. Employers participating in OJT projects will receive partial reimbursement to offset the extraordinary costs of training workers.
- **Institutionalizing the Practice of Data-driven Decision-making.** The Department will continue to emphasize the use of available evidence in the development of strategies and other decision making, both at the service delivery and systems levels of the public workforce system. Building on the identification and documentation of evidence-based practice within the field of workforce development spurred by the Workforce Innovation Fund and other investments, the DW program will help states and local areas use such data to form the basis for continuous improvement to best meet the needs of both its job seeker and business customers.
- **Providing Seamless Dual-customer Service through American Job Centers.** The public workforce system coordinates a range of federally funded training programs and services through the American Job Center network that address the specific and varying needs of business and job seeker customers. These complementary programs make the public workforce system uniquely positioned to best address and adapt to the emerging needs of workers and businesses, and will allow the system to continue to offer the best value per

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

participant in terms of positive outcomes for job-seekers, employers, and SWAs. The locally-administered DW program will continue to play a critical role in enhancing U.S. competitiveness and creating an economy that is built to last by connecting industries' needs for a skilled workforce to the public workforce system's trained workers.

The Department will continue to utilize NEG's to respond to sudden, unexpected needs for reemployment services in response to mass layoffs. Unemployed workers will benefit from NEG projects designed to provide the services needed to enable them to quickly return to the workforce, and employers will benefit from workers that are equipped with skills that are in demand. The National Reserve also will be used to provide technical assistance and training to the workforce system, pilot demonstration projects that identify service strategies for assisting dislocated workers, and finalize any remaining American Job Center rebranding efforts that were initiated during the previous two fiscal years.

The above request is based on continuation of the current DW program. However, the FY 2014 President's Budget also includes a new legislative proposal that would enable a Universal Displaced Worker program (UDW). UDW is a key part of President Obama's comprehensive plan to get Americans the skills they need for the high-demand jobs of today and tomorrow and offers a new path to reemployment for displaced workers by consolidating and improving upon the Trade Adjustment Assistance for Workers and Workforce Investment Act Dislocated Worker programs. The UDW proposal is presented in a separate section of the budget.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

In order to deploy these strategies and achieve the outcome goals, the enacted budget provided \$1,232,217,000 for WIA Dislocated Worker activities in 2012. In order to fund core, intensive, and training services in all 50 states and the territories, the Department received \$1,008,151,000 in Dislocated Worker formula funds and \$224,066,000 in the National Reserve Account, which provides for NEG's.

To address the continued high demand for dislocated worker services and in support of the Department's goal of helping individuals find reemployment in good jobs that provide family sustaining wages, by the end of PY 2012, the DW formula grant program estimates it will have served 678,096 dislocated workers with an Entered Employment Rate of 58.6 percent, Employment Retention of 82 percent, and Six Months Average Earnings of \$18,346. The NEG program projects an Entered Employment Rate of 70.7 percent, an Employment Retention Rate of 83.9 percent and Six-Month Average Earnings of \$17,935. To accomplish these goals, the

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

Department is providing states with guidance and technical assistance so that funds are used to provide high quality, data-driven job search assistance, career counseling and training services to equip dislocated workers with in-demand skills and facilitate their reemployment.

Specifically, the Department's strategies to achieve its goals of transitioning unemployed individuals to reemployment in jobs that offer promising career pathways include: 1) improving the use of labor market information, skills assessment tools, and social media technologies to enhance the quality of job search assistance and career counseling services offered to dislocated workers; 2) providing high-quality training for in-demand jobs in emerging, high-growth industries including green jobs, health care and advanced manufacturing; 3) offering OJT as both a reemployment and training strategy for dislocated workers; 4) providing more flexible training options that meet the needs of adult learners and workers in transition, including greater access to integrated education and training models, on-line training, and Registered Apprenticeship; and 5) leveraging a wider array of supportive services available to dislocated workers to support training completion (such as Pell Grants, Temporary Assistance for Needy Families, Supplemental Nutrition Assistance, and co-enrollment in WIA Title II).

The Department emphasizes the use of these same strategies in the NEG's it awards to provide dislocated workers impacted by mass layoffs the retraining and reemployment services that will assist them in obtaining good jobs and returning to the workforce as quickly as possible. Areas affected by Base Realignment and Closure (BRAC) actions continue to be recipients of NEG funds, as needed. These funds aid civilian workers and military spouses in finding appropriate jobs when jobs on their bases are transitioning to other areas, and support the growth of communities where bases are taking on new missions. Finally, dislocated workers in disaster-impacted areas, such as the Eastern Seaboard states hit by Hurricanes Irene and Sandy, and subsequent flooding, will be supported by NEG funds that provide temporary jobs for clean-up work.

While some dislocated workers may only require job search assistance, others benefit from training to help them move into other occupations. Some also benefit from supportive services to ensure they can quickly enter, continue, and complete training. These services are used to help workers adapt to changing labor needs, as jobs continue to move from traditional manufacturing and service industries to growing areas in health care, technology, and green jobs. A focus on customizing services to the needs of a particular worker population, such as workers with occupational or English language skills gaps, will contribute to helping the Department achieve its goals of preparing workers for good jobs and ensuring they remain in the middle class.

With 220,000 post-9/11 era veterans currently unemployed and over one million more service members projected to leave the military over the next five years, the Department is also actively supporting the Administration's comprehensive plan to address veterans' unemployment and ensure separating service members leave the military career-ready. Veterans who are eligible dislocated workers will receive priority of service within the DW program.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

DETAILED WORKLOAD AND PERFORMANCE							
	PY 2011 Enacted		PY 2012 ¹ Revised Enacted		PY 2013 Full Year C.R.	PY 2014 Request	
	Target	Result	Target	Result	Target	Target	
Dislocated Workers Employment and Training Activities							
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.							
Outcome Goal 1.1 - Increase workers' incomes and narrow wage and income inequality.							
Dislocated Workers Budget (Formula Grants)	\$1,061,807,000	\$1,061,807,000	\$1,008,151,000	--	\$1,009,058,000	\$1,045,490,000	
Dislocated Workers Budget (National Emergency Grants)	\$223,734,000	\$223,734,000	\$224,066,000	--	\$224,213,000	\$220,859,000	
ETA- CH1- WIADW- GPRA- 03	Six Month Average Earnings (Dislocated Worker)	\$15,418	\$16,516	\$18,346	--	\$18,737	\$19,136
ETA- CH1- ONR- GPRA- 03	Six Month Average Earnings (National Emergency Grants)	\$12,953	\$19,134	\$17,935	--	\$19,318	\$18,709
Outcome Goal 1.3 - Help workers in low-wage jobs or out of the labor market find a path into middle class jobs.							

¹ Does not reflect rescissions to the PY 2012 Advances in P.L. 113-6.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

DETAILED WORKLOAD AND PERFORMANCE								
	PY 2011 Enacted		PY 2012 ¹ Revised Enacted		PY 2013 Full Year C.R.	PY 2014 Request		
	Target	Result	Target	Result	Target	Target		
ETA- CH1- WIADW- GPRA- 01	Entered Employment Rate (Dislocated Worker)		49.70%	60.70%	58.60%	--	58.90%	59.60%
ETA- CH1- ONR- GPRA- 01	Entered Employment Rate (National Emergency Grants)		61.00%	76.6%	70.70%	--	71.00%	71.70%
	Participants Served in Employment and Training Activities (Formula Grants)		653,669	1,133,739	602,561	--	585,535	589,008
	Cost Per Participant Served in Employment and Training Activities (Formula Grants)		\$1,624.38	\$1,135.66	\$1,673.11	--	\$1,723.31	\$1,775.00
Outcome Goal 1.4 - Help middle-class families remain in the middle class.								
ETA- CH1- WIADW- GPRA- 02	Employment Retention Rate (Dislocated Worker)		78.00%	84.10%	82.00%	--	82.00%	82.10%

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

DETAILED WORKLOAD AND PERFORMANCE						
	PY 2011 Enacted		PY 2012 ¹ Revised Enacted		PY 2013 Full Year C.R.	PY 2014 Request
	Target	Result	Target	Result	Target	Target
ETA- CH1- ONR- GPRA- 02	Employment Retention Rate (National Emergency Grants)					
	77.10%	88.30%[r]	83.90%	--	83.90%	84.00%

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

NOTES:

Includes NEG participants

Includes NEG Participants

Cost per participant was calculated by adding PY 09 and 10 Dislocated Worker funds as well as the ARRA Dislocated Worker Supplemental funds, divided by the actual PY 09 and 10 Dislocated Worker participants served. This calculation is as follows: (\$1,435,500 + \$1,413,000 + \$1,466,891) divided by total workload (1,158,537 + 1,287,208) = \$1,764.24 per participant. This was used as a base line for PY 09, PY 10, and PY 11 and then adjusted for 3% inflation for each subsequent year. Note: The cost per participant and participants to be served figures are calculated before any set-asides are removed from the funding to implement these programs.

PY 11 Cost per participant was lower than expected because of the lag in some reporting which used ARRA funding. The PY 09 and PY 10 baseline was used for purposes of calculating future cost per participants, until a new base line can be determined.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

Workload and Performance Narrative

The Department measures performance in the WIA DW program based on three interrelated outcomes: entered employment, employment retention, and six-month average earnings. The training and employment services delivered through the WIA DW program are designed to address all three outcomes. States and local areas target their service delivery strategies to the specific needs of their employer and worker populations, and the Department provides policy and programmatic guidance to help states and local areas identify strategies that are beneficial in improving employment outcomes in the current economy.

The targets for entered employment, employment retention and six-month average earnings are based on a methodology developed by the Department for setting national performance targets using regression analysis. The methodology utilizes a regression model to estimate the magnitudes of the responses of employment and training program outcomes to the effects of the business cycle and labor market conditions. The adjusted targets are produced using program results from the labor market and the Office of Management and Budget's (OMB) projections of the unemployment rate matched to the timeframe pertinent to the particular program outcome being considered. The methodology results in performance targets that reflect the expected impact of the economic environment on program performance. These targets do not change based on specific levels of funding for the program. Targets for the average earnings measure have been adjusted to correct for inflation using OMB assumptions regarding the consumer price index. The data used to create the targets come from the Workforce Investment Act Standardized Record Data (WIASRD), OMB, and the Bureau of Labor Statistics (BLS) and are updated on an annual basis.

The Department will monitor grantee performance regularly through Federal Project Officers in regional offices to ensure grantees are on target to meet performance goals. Such monitoring informs the design and delivery of technical assistance to improve performance. As part of program monitoring, the Department looks at the following system outputs:

- Number of people served by the program;
- Number of people that received training;
- Number of people that received intensive services;
- Number of people in training that received a credential; and
- Amount of funds spent.

These outputs help determine whether states are implementing strategies that will help meet their outcome goals. In addition, the Department conducts evaluations of WIA formula programs to evaluate the specific strategies promoted to support goal achievement. The results of such evaluation and research are used to revise and update strategies regularly. In 2014, the WIA Adult and Dislocated Worker Gold Standard Evaluation (WGSE) will continue and the first impact findings are expected to be available. The WGSE is a random assignment rigorous random assignment evaluation of the formula programs established under Title I of WIA. The evaluation is examining the Adult and Dislocated Worker programs' impacts on participants' post-program employment and earnings and their cost effectiveness. The evaluation is

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

comparing the outcomes of WIA participants to the outcomes of similar individuals who do not receive WIA services. The evaluation will provide critical insight on the impact and cost effectiveness of intensive and training services for participants in the WIA program.

Additional data is collected on the intensity of participant services based on the number served, exiters, and those with positive outcomes for entered employment:

PY 2011	WIA DW	WIA NEG
Total Participants	1,070,439	58,786
Core Only	583,431	3,988
Intensive Only	268,517	19,922
Training	218,491	34,876
Total Exiters	750,460	30,249
Core Only	431,257	2,017
Intensive Only	203,808	11,119
Training	115,395	17,113
Entered Employment	426,838	18,811
Core Only	205,486	726
Intensive Only	124,735	6,191
Training	96,617	11,894

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	0	0	0	0
25.3	Other goods and services from Federal sources 1/	0	0	0	0
41.0	Grants, subsidies, and contributions	1,232,217	1,233,271	1,266,349	34,132
	Total	1,232,217	1,233,271	1,266,349	34,132
	1/Other goods and services from Federal sources				

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments \$0

Advisory and assistance services 0

Other services from non-Federal sources 0

Other goods and services from Federal sources 0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program \$34,132

Direct FTE 0

	Estimate	FTE
Base	\$1,232,217	0
Program Increase	\$37,339	0
Program Decrease	-\$3,207	0

WORKFORCE INNOVATION FUND

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	49,906	50,211	150,000	100,094
FTE	0	0	0	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Introduction

Under the Workforce Innovation Fund, the Department of Labor (Department) makes competitive awards to eligible States, local areas, and tribal communities intended to catalyze transformative strategies that will help the national workforce system to deliver services that are cost-effective, demand-driven and impactful.

WIF provides funding to test innovative strategies and replicate evidence-based practices in the workforce system, emphasizing cross-program collaboration and bold systemic reforms to improve education and employment outcomes for participants. The Department intends to set aside at least \$10,000,000 for projects designed to improve outcomes for disconnected youth. This effort to serve disconnected youth will be coordinated with funds from the Department of Education. The Department also intends to use up to \$20,000,000 for Pay for Success financing to engage social investors, the Federal Government, and a state or local community to collaboratively support effective interventions. Additionally, the Department is proposing to use \$50,000,000 of the WIF to test better ways to meet the needs of veterans, including recently separated veterans; active-duty family members; and members of the National Guard and Reserves, all of whom face particular challenges reentering the workforce after meeting their military commitments.

America’s economic strength is directly connected to the skills and educational achievement levels of its workers. Creating an American economy that is built to last means focusing the approximately \$16 billion annual Federal investment in employment and training programs on achieving results. As the national workforce system connects job seekers to jobs, it faces the additional challenge of meeting employer demand for skilled labor, which is projected to grow significantly over the next decade. Jobs are now requiring a higher level of education and credential attainment at a time when over five million unemployed adults in the U.S. lack a post-secondary degree or certificate.¹ This challenge is further complicated as Federal funding for the workforce system has become constrained by a rising demand for services, leaving fewer dollars available for training.

WIF seeks to scale proven approaches and discover new ideas that will generate long-term improvements in the workforce system and meet the rising demand for employment and training services. Moreover, the lessons learned from WIF investments will play a significant role in determining the future course of publicly-funded employment and training programs. It also

¹ Bureau of Labor Statistics – July 2011 Report.

WORKFORCE INNOVATION FUND

promotes further coordination with economic development, human service and employer organizations that can help the public workforce system achieve its goals.

WIF employs a rigorous framework that directs the highest level of funding to projects with the strongest evidence base, but also provides significant support for promising projects that are willing to undergo rigorous evaluation. WIF supports new approaches and policies that improve employment and training outcomes and cost-effectiveness. WIF investments continue to target new service delivery strategies (for employers and job seekers) and the systemic change necessary to sustain and scale those strategies. This includes the alignment and adaptation of the policies, procedures, and cross-agency collaboration associated with workforce service delivery. By focusing on change at both the service delivery and systemic levels and requiring rigorous evaluation of each investment, the Department seeks to ensure that the current 26 projects selected form a foundation for systemic, large-scale improvements to the operation of the public workforce system add value for employers and job seekers, and help develop a body of evidence-based practice within the field of workforce development.

WIF investments are predicated on the following assumptions:

- Improved employment and training outcomes can result from the application of evidence-based strategies applied at the point of service delivery;
- At a time of constrained resources, workforce programs and practices should be focused on lowering costs and increasing effectiveness through heightened coordination across different programs, funding streams, and integrated planning processes;
- The effectiveness of service delivery and systemic innovations (and related system reforms) can be measured; and
- The use of waivers can facilitate cooperation across programs and funding streams and allow experimentation with different ways of structuring and delivering services.

WIF invests in strategies that:

- Deliver services more efficiently and achieve better outcomes, particularly for vulnerable populations and dislocated workers;
- Support both systemic reform and innovations that facilitate cooperation across programs and funding streams in the delivery of client-centered services to job seekers, youth, and employers;
- Ensure that education, employment and training services are developed in partnership with specific employers or industry sectors and reflect current and future skill needs; and
- Emphasize building knowledge about effective practices through rigorous evaluation and translating “lessons learned” into improved labor market outcomes and increased cost efficiency in the broader workforce system.

The Department coordinates with the Departments of Education (ED) and the Department of Health and Human Services (HHS) in the administration of WIF to encourage collaboration across funding streams.

The President’s 2014 Budget also supports ongoing interagency efforts to improve outcomes for disconnected youth by providing targeted funding and continuing last year’s request for Performance Partnerships pilot authority. Performance Partnership pilots would allow States and

WORKFORCE INNOVATION FUND

localities enhanced flexibility in administering Federal discretionary youth-serving programs in exchange for greater accountability for results. The \$10 million provided for disconnected youth is complemented by an additional \$15 million in the Department of Education. Together, these funds will support pilot development through targeted technical assistance and other cross-agency activities to improve educational, employment and other key outcomes for disconnected youth. These may include youth-focused Pay for Success projects and evaluations.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$0	0
2010	\$0	0
2011	\$124,750	0
2012	\$49,906	0
2013	\$50,211	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Funding Mechanism

WIF funds appropriated in FY 2014 are available from July 1, 2014 through September 30, 2015. These funds are awarded competitively through Solicitations for Grant Applications. Eligible applicants will be states; consortia of states; localities; or partnerships, including regional partnerships.

FY 2014

During the fourth year of WIF implementation, the Department will continue to place significant emphasis on helping the broader workforce investment system learn about and replicate promising practices identified during the first three years of investment. This new funding round will be informed by key lessons learned during the earlier competitions to maintain the effectiveness of grant-making, including:

- Expert reviewer guidance and training to ensure that proposals selected can adequately support rigorous evaluation standards;
- Criteria that reinforce the link between evidence-based practice and proposed strategies, policies, and innovations;
- Increased focus on projects that promote effective interagency partnerships that leverage funding and stimulate private-sector engagement and investment; and
- Outreach strategies to generate ideas and identifies barriers to delivering effective services, and encourages reform-minded states and localities to apply.

In 2014, the Department will solicit bold proposals from states or consortia of localities detailing how they could use their workforce development resources more effectively. The WIF will emphasize and invite reform ideas that cut across the entire workforce system—not just those that affect the Department-run programs in Title I of the Workforce Investment Act of 1998, as amended (WIA) and the Wagner Peyser Act.

WORKFORCE INNOVATION FUND

In order to encourage applicants to propose bold ideas and facilitate substantial improvements, the Department requests authority to waive statutes and regulations relating to WIA; the Wagner-Peyser Act of 1933, as amended; and Title I of the Rehabilitation Act (with the approval of the Secretary of Education). Waivers will only be granted when they are: likely to substantially improve credential attainment and employment outcomes; necessary for project implementation; accompanied by guarantees of strong accountability and plans for rigorous evaluation; and meet other such requirements as the Secretary of Labor may establish in consultation with the Secretary of Education. In carrying out these provisions, the Secretary of Labor would not support waivers that undermine wage and labor standards, protections against discrimination or displacement, or the quality of staff providing employment services. Applicants also would be expected to provide interested parties an opportunity to comment on waiver requests and include such comments in the application.

Because the expanded waiver flexibility will be accompanied by greater accountability for results, the Department will work with grantees to strengthen their capacity to collect and track performance data, including by subpopulation, and increase the availability of data regarding training provider performance. In support of this effort, 2014 WIF investments will be coordinated closely with the Workforce Data Quality Initiative as appropriate.

Up to five percent of WIF may be used for technical assistance and evaluations. In addition, the Department will continue to require grantees to conduct an evaluation of their program.

WIF will set aside \$10,000,000 to fund projects that focus on improving services for disconnected youth. Grants awarded with this set-aside will support a number of strategies, which may include:

- Effective leveraging of WIA Titles I and II funding and increased coordination among the programs serving youth with low basic skills;
- Cross-program service delivery and policy alignment between Federal programs that serve disconnected youth, including WIA, Temporary Assistance to Needy Families (TANF), juvenile justice, health, human services, and housing;
- Developing comprehensive blueprints for enhanced partnerships between WIA and court-involved youth; and
- Engaging employers in the design and delivery of services, including activities like internships and other work experience.
- Targeted efforts to support States and localities in the development Performance Partnership pilots.

In addition, the Department will coordinate the disconnected youth set-aside funds with the ongoing efforts of the Interagency Forum on Disconnected Youth (IFDY) and the Department's Opportunity Youth Demonstration, a rigorous random control trial evaluation that will identify and assess promising service delivery strategies for disconnected youth.

The WIF includes a set-aside of \$50,000,000 to address the needs of members of National Guard and Reserve, spouses of Active Duty service members and other family members of Active Duty service members, as well as all veterans. ETA will collaborate with the Veterans' Employment

WORKFORCE INNOVATION FUND

and Training Service on this competition. Examples of the type of innovative practices that might be supported by WIF grants for veterans, transitioning service members, members of the National Guard and Reserve, and active duty spouses include:

- States or groups of states to closely assess the gap between military training and experience and state licensure and other certification requirements, identify means to “fill” that gap with additional training, and provide reciprocity across states in accepting the licensure or certification from another state when held by a veteran or active duty spouse.
- States or groups of states to develop programs to provide early intervention to meet the employment needs of claimants in the Unemployment Compensation for Ex-Service members program and speed reemployment.
- States that propose different approaches to structuring services to produce better employment outcomes for veterans.

Up to \$20,000,000 could be awarded to support additional Pay for Success models. The Department is now testing its first models of this innovative funding mechanism, designed to attract non-government investment in social service interventions. Some of the potential benefits of the Pay for Success model for the workforce investment system include:

- Overcoming the challenge of blending program- and population-specific government funds by providing flexible investor funding which can be used for integrated interventions for at-risk populations;
- Creating incentives for social innovation, improved workforce outcomes, public sector cost savings, and efficiency gains; and
- Identifying effective preventative services that generate cost savings to the government. For instance, by preventing or shortening unemployment or under-employment, or addressing skills deficiencies, existing workforce system dollars can be spent more efficiently and reach more workers in need of employment services or training.

The Department will continue to work closely with ED and consult with the Executive Office of the President, HHS, and other agencies, as appropriate, to develop Fund priorities for 2014.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

A total of \$49,906,000 was appropriated for WIF in 2012. In the second year of the fund, ETA continued to coordinate with Federal partners to test systemic reforms designed to deliver comprehensive and cost-effective services that help individuals acquire skills and succeed in employment.

WORKFORCE INNOVATION FUND

The majority of 2012 WIF funds were awarded together with 2011 funds in July 2012 to support projects that deliver services more efficiently and achieve better outcomes, particularly for vulnerable populations. The majority of funds went to states or broad partnerships for implementing structural reforms and other approaches that deliver better employment and education results. \$20,000,000 was set aside to fund up to three Pay for Success pilots, which will be awarded in spring 2013.

The Department consulted with ED and HHS as well as the Executive Office of the President to develop priority areas of innovation for 2011 and 2012.

Workload and Performance Narrative

Performance measures will be established in 2013. Grantees are currently finalizing their evaluation design plans and confirming measures related to their unique innovations. Once this activity is complete, the Department will identify performance measures common across projects, as well as unique measures of innovation and efficiency, and will make such information available to the public and the Congress.

WORKFORCE INNOVATION FUND

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
22.0	Transportation of things	0	0	0	0
24.0	Printing and reproduction	0	0	0	0
41.0	Grants, subsidies, and contributions	49,906	50,211	150,000	100,094
	Total	49,906	50,211	150,000	100,094

WORKFORCE INNOVATION FUND

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Transportation of things	0
Printing and reproduction	0
Grants, subsidies, and contributions	0

Built-Ins Subtotal **\$0**

Net Program **\$100,094**

Direct FTE **0**

	Estimate	FTE
Base	\$49,906	0
Program Increase	\$100,094	0

INDIAN AND NATIVE AMERICAN PROGRAM

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	47,562	47,853	47,562	0
FTE	0	0	0	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Introduction

The Indian and Native American Program, established under Section 166 of the Workforce Investment Act (WIA), prepares American Indians and Native Americans for good jobs in the following ways:

- The program helps to build an American economy with skills for Indian and Native American workers, improving their skills through effective training programs so they can achieve their academic and occupation goals, enabling them to be prepared for the workforce;
- The program increases the literacy skills of the participants to position them to be prepared for occupational training in growth occupations; and
- The program promotes economic and social development of Indians and Native Americans, consistent with community goals and values.

American Indians, Alaskan Natives, and Native Hawaiians are the most impoverished single group in the United States, with acutely high unemployment rates in rural and isolated reservations and villages, and are often challenged by multiple barriers to employment. One in every four (25.3 percent) Native Americans lives in poverty and these individuals are three times as likely to receive public assistance compared to the total population.¹ American Indians and Alaska Native students have the highest dropout rate of any U.S. ethnic or racial group. About three out of every ten Native American students drop out of school before graduating from high school both on reservations and in cities.² Approximately 23 percent of American Indians and Alaska Natives ages 25 and over did not complete high school compared to 15.4 percent of the general population.³

Reducing the education and employment inequality between Indian and Native Americans requires a concentrated effort to enhance education and employment opportunities, create pathways to careers and skilled employment, and help Indian and Native Americans to enter and remain in the middle class. The WIA Section 166 program is not a substitute for State-funded employment and training programs. Instead, it provides intensive training and employment services specifically targeted to Indian and Native Americans which may not otherwise be provided to this population. The WIA Section 166 program is the only Federal employment and job training program that serves American Indians, Alaskan Native, and Native Hawaiians who

¹ Census 2000 Special Report, American Indian and Alaska Native in the United States, February 2006.

² Jen Bouchard, Native American Education and Employment, 1991.

³ U.S. Department of Commerce, Census Bureau, Current Population Survey (CPS), March 2003.

INDIAN AND NATIVE AMERICAN PROGRAM

reside both on and off reservations. For American Indians and Alaskan Natives living on reservations and Alaska Native villages, the WIA Section 166 program is often the only employment and training services available that are located within the community. This is important to those Indians, Alaska Natives, and Native Hawaiians that do not have transportation or financial resources to travel to the nearest town or city to seek services.

The WIA Section 166 Indian and Native American program provides services to adults through a network of 178 grantees. Activities that support these goals include providing intensive training and support services needed by workers in a knowledge-based economy and ensuring training is aligned with growing industries and the unique needs of tribal communities and local employers.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$52,758	0
2010	\$52,758	0
2011	\$52,652	0
2012	\$47,562	0
2013	\$47,853	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Funding Mechanism

WIA programs operate on a PY calendar. Therefore, funds appropriated in FY 2014 are available from July 1, 2014 through June 30, 2015. WIA Section 166 authorizes grant funding to Indian tribes, Alaskan Natives, Native Hawaiians, and tribal non-profit organizations on a competitive basis; however, grantees selected from this process are funded through a statutory formula defined in WIA. A grant competition is conducted every two years to select Indian, Alaskan Native, and Native Hawaiian entities to administer and manage WIA Section 166 grants to provide employment and training services to unemployed and low income Indians, Alaskan Natives, and Native Hawaiians. The next competition is scheduled for 2014.

FY 2014

To meet the employment and training needs of the Indian, Alaskan Natives, and Native Hawaiian population in 2014, the Department requests \$47,562,000 to operate the WIA Section 166 program. At this funding level, the program will serve approximately 31,991 unemployed and under-skilled Indian, Alaskan Native, and Native Hawaiian adults. Intensive training and support services are needed to enhance employment opportunities and help these indigenous communities succeed in a competitive job market.

In 2014, the Department will set an entered employment rate target of 57.1 percent, an employment retention rate of 73.2 percent, and six months average earnings target of \$11,133. To achieve these goals, the program will: 1) provide training and technical assistance on the newly implemented credential goal that will track educational attainment that prepares Indian

INDIAN AND NATIVE AMERICAN PROGRAM

and Native Americans program participants with the skills necessary to compete in knowledge-based job market; 2) increase services to American Indian, Alaskan Native, and Hawaiian Native veterans and/or eligible spouse participants; and 3) promote the economic and social development of participants in accordance with the goals and values of such communities.

To help grantees implement these strategies, the 2014 budget includes a request for one percent set-aside of funding for training and technical assistance (TAT), which will support projects such as, but not limited to: 1) a study to assess credential attainment; 2) enhancement to the program reporting system; 3) partnership efforts with other Federal agencies to help Indian, Alaskan Native, and Native Hawaiian communities leverage the full range of resources available to support their employment and training needs; and 4) peer-to-peer and new directors training.

In 2014, the WIA Section 166 Program will:

- Increase the number of American Indians, Alaskan Native, and Native Hawaiians participants who receive a credential such as, but not limited to a high school diploma, General Education Diploma, Associates or Bachelor's Degree, etc.;
- Create career pathways into middle-class jobs;
- Increase the number of American Indian, Alaskan Native, and Hawaiian Native veterans and/or eligible spouse participants;
- Increase program effectiveness, through the use of information technology; and
- Increase compliance and technical assistance.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

In 2012, a total of \$47,562,000 was appropriated for the WIA Section 166 Indian and Native American Program. At this funding level, the program will serve approximately 28,948 unemployed Indian, Alaskan Native, and Native Hawaiian adults and youth. Intensive training and support were provided to increase employment opportunities and help Indian and Native Americans enter career pathways.

In 2012, the program focused on two strategies: 1) providing Indian and Native Americans program participants with "career pathways/Trails of Opportunity" to increase their academic, occupational, and literacy skills that prepare them to compete in a knowledge-based job market; and 2) promoting the economic and social development of participants in accordance with the goals and values of such communities.

To help grantees implement these strategies, the 2012 budget included a one percent set-aside of funding for training and technical assistance (TAT), which supported projects such as, but not

INDIAN AND NATIVE AMERICAN PROGRAM

limited to, implementing veteran priority of service, collaborating with other Federal agencies, peer-to-peer technical assistance and training, and New Directors training, among other efforts.

The overall 2012 priorities for the WIA Section 166 included:

- Developing and implementing a credential attainment goal;
- Increased skills and knowledge, through education, for underemployed Indian and Native Americans who participate in the program;
- Providing training on priority of service for Indians and Native American veterans and eligible spouses;
- Increased employment and training opportunities for Indians and Native Americans;
- Establishing career pathways into middle-class jobs;
- Increased program effectiveness, through the use of information technology; and
- Increase compliance and technical assistance.

INDIAN AND NATIVE AMERICAN PROGRAM

DETAILED WORKLOAD AND PERFORMANCE							
	PY 2011 Enacted		PY 2012 Revised Enacted		PY 2013 Full Year C.R.	PY 2014 Request	
	Target	Result	Target	Result	Target	Target	
Indian and Native American Programs							
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.							
Outcome Goal 1.1 - Increase workers' incomes and narrow wage and income inequality.							
ETA-CH1- INAP-GPRA- 03	Six Month Average Earnings (INAP)	\$9,363.00	\$9,858.00	\$10,660.00	--	\$10,894.00	\$11,133.00
	Participants Served	32,000	38,238	28,948	--	31,991	31,991
	Cost Per Participant Served	\$1,643.00	\$1,643.00	\$1,643.00	--	\$1,643.00	\$1,643.00
Outcome Goal 1.3 - Help workers in low-wage jobs or out of the labor market find a path into middle class jobs.							
ETA-CH1- INAP-GPRA- 01	Entered Employment Rate (INAP)	54.00%	59.30%	55.70%	--	56.20%	57.10%
Outcome Goal 1.4 - Help middle-class families remain in the middle class.							
ETA-CH1- INAP-GPRA- 02	Employment Retention Rate (INAP)	69.60%	76.84%	73.10%	--	73.20%	73.20%
	Credential Attainment Goal	--	--	--	--	TBD	TBD

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

INDIAN AND NATIVE AMERICAN PROGRAM

Workload and Performance Narrative

Performance accountability provides a link between services and outcome results achieved. The program assesses performance and efficiency through the common performance measures: the Entered Employment Rate, Retention Rate, and Six Months Average Earnings.

The PY 2014 targets for entered employment, employment retention, and average earnings are based on a methodology developed by the Department for setting national performance targets using regression analysis. The methodology utilizes a regression model to estimate the magnitudes of the responses of employment and training program outcomes to the effects of the business cycle and labor market conditions. The adjusted targets are produced using program results from the prior year, the responses of the various program outcomes with respect to the condition of the labor market, and OMB's projections of the unemployment rate matched to the timeframe pertinent to the particular program outcome being considered. The methodology results in performance targets that reflect the expected impact of the economic environment on program performance. These targets do not change based on specific levels of funding. Targets for the six months average earnings measure have been adjusted to correct for inflation using OMB assumptions regarding the consumer price index. The data used to create the targets come from the Workforce Investment Act Standardized Record Data, OMB, and BLS, the data is updated on an annual basis. In the next few months, targets will be updated based on PY 2011 results.

In PY 2011, the WIA Section 166 program had an entered employment rate of 59 percent, a retention rate of 77 percent, and six months average earnings of \$9,858. The results for the entered employment rate, retention rate, and average earnings are all slightly above the established targets for PY 2011.

Measure	PY 2011 Target	PY 2011 Results
Entered Employment	54%	59.3%
Retention Rate	69.60%	76.8%
Average Earnings	\$9,363	\$9,858

The program also tracks two output measures: number of participants and cost per participant, which are tied to program funding, and average cost per participant. The expected number of participants served increases when appropriation levels increase or when the average cost per participant decreases as a result of improved program efficiency. In PY 2011, the Indian and Native American Program served 38,238 participants at an average cost per participant of \$1,377. The number of participants served for PY 2011 is higher compared to prior years, which averaged between 26,000 and 33,000 over the previous three years. The increased number of participants served in PY 2011 can be attributed to two factors: 1) More Native Americans have lost their jobs or are having difficulty finding jobs; and 2) Native American grant recipients have become more effective in collecting participant data through the use of technology.

Pursuant to WIA Section 166 (f), approximately \$10,000,000 is transferred to the U.S. Department of the Interior as part of a demonstration project authorized under the Indian

INDIAN AND NATIVE AMERICAN PROGRAM

Employment and Training and Related Services Demonstration Act of 1992 (Public Law 102-477), and is deducted from the total appropriation when calculating workload data. Public Law 102-477, allows federally recognized Indian Tribes and Alaskan Natives receiving assistance under this section to consolidate such assistance with assistance received from related programs.

To achieve its 2014 performance goals, WIA Section 166 grantees will provide employment and training services and assistance to American Indian, Alaskan Native, and Native Hawaiians throughout the United States.

The Department awards approximately 126 grants to federal and state recognized tribes, Alaska Native Villages, Native Hawaiian organizations and Native American controlled non-profit organizations. Administrative oversight is provided by Federal Project Officers within the Department's Division of Indian and Native Program Office. An additional 54 WIA Section 166 grants are awarded through the U.S. Department of the Interior through P.L.102-477. The Department of Labor awarded grants are monitored using the E-Grants and the Grants Electronic Management Systems (GEMS) to track program compliance and grantee performance. In addition, onsite monitoring visits are conducted to evaluate specific strategies to support goal achievement. The WIA Section 166 program also facilitates training at the national grantee conference. Consultation with the NAETC and feedback from grantees are used to revise and update strategic plans and develop best practices for this indigenous community.

Monitoring informs the design and delivery of technical assistance. As part of program monitoring, the WIA Section 166 program tracks at the following system outputs:

- Number of American Indians, Alaskan Natives, and Native Hawaiians served;
- Number of American Indians, Alaskan Natives, and Native Hawaiians that received training;
- Number of American Indians, Alaskan Natives, and Native Hawaiians that received a high school diploma, general education diploma (GED), certificate, or degree;
- Number of American Indians, Alaskan Natives, and Native Hawaiians placed in jobs or enter the military;
- Number of American Indians, Alaskan Natives, and Native Hawaiians that received intensive supportive services; and
- Obligation and expenditures.

These outputs are used to inform the Department on the extent to which the grantees are implementing strategies that will help them meet their outcome goals.

INDIAN AND NATIVE AMERICAN PROGRAM

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
25.2	Other services from non-Federal sources	0	0	0	0
41.0	Grants, subsidies, and contributions	47,562	47,853	47,562	0
	Total	47,562	47,853	47,562	0

INDIAN AND NATIVE AMERICAN PROGRAM

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments \$0

Other services from non-Federal sources 0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program \$0

Direct FTE 0

	Estimate	FTE
Base	\$47,562	0

MIGRANT AND SEASONAL FARMWORKERS

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	84,291	84,807	84,291	0
FTE	0	0	0	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Introduction

The National Farmworker Jobs Program (NFJP) is a nationally-directed, locally administered program providing employment and training services and housing assistance to migrant and seasonal farmworkers (MSFWs). Created by the Economic Opportunity Act of 1964, and currently authorized under section 167 the Workforce Investment Act of 1998, the program seeks to counter the impact of the chronic unemployment and underemployment experienced by MSFWs who depend primarily on jobs in agricultural labor.

NFJP services are provided by community-based organizations and public agencies that assist MSFWs and their families to attain greater economic stability. The program responds to the unique needs of MSFWs through employment services, skills training, and supportive services, such as nutrition, transportation, and housing. By assisting farmworkers to acquire new job skills in occupations that offer higher wages and more opportunities, the NFJP supports an American economy that is built on the skills of the nation's workers.

Program services are accessed through NFJP grantees, who are required partners in the American Job Center network. The NFJP is not a substitute for other WIA services that must be made available to farmworker job seekers. In addition to directly providing comprehensive employment and training services, the NFJP helps to facilitate coordination of services through the American Job Center network for MSFWs so they may access other services available through the workforce system.

In providing services to MSFWs, the NFJP grantees must take into account factors that are unique to this population. One such factor is the migration pattern of MSFWs. Most migration patterns are predictable on an annual basis and often cross state lines. The NFJP grantees use specific outreach and service delivery methods to serve participants who would otherwise not be able to take advantage of services offered through the network of American Job Centers. Because of the specific, targeted outreach that it provides, the program is able to reach a long-term disadvantaged population with extensive barriers to employment.

The mobility of the farmworker population creates additional challenges for their families. Minors who accompany families in search of work have an inherent educational disadvantage. The NFJP offers services to equalize the educational opportunities of children in comparison with their non-agriculture dependent peers, since the program also serves dependents of MSFWs.

MIGRANT AND SEASONAL FARMWORKERS

The cyclical nature of agricultural work leads MSFWs to seek off-season work in industries that require similar skill sets. According to the National Agricultural Worker Survey (NAWS), 19 percent of agricultural workers reported holding at least one non-farm job in the 12 months prior to the interview. Because MSFWs often work in labor-intensive positions in industry sectors such as construction, they are prime candidates for dislocation in periods of economic stagnation. This phenomenon presents an exponential challenge to farmworkers, who do not qualify under most unemployment benefit programs, primarily because most agricultural employers do not meet requirements for coverage related to the number of employees or amount of wages paid.

The agricultural industry is characterized by a large workforce with numerous job openings, chronic unemployment and underemployment due to the cyclical nature of the work, and below average pay. MSFWs, whose livelihoods are primarily derived from agricultural employment, experience these difficulties and also are faced with additional, significant barriers to employment. These barriers include low levels of education, with an average of 7th grade attainment;¹ poor English skills, with 44 percent having no spoken English skills and 53 percent having no written English skills;² and inferior housing and few assets to sustain them through a period of retraining.³ To address these barriers, NFJP grantees utilize a comprehensive service model that combines an array of employment services, skills training, basic education and English language training, and supportive services.

Five-Year Budget Activity History⁴

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$82,620	0
2010	\$84,620	0
2011	\$84,451	0
2012	\$84,291	0
2013	\$84,807	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Funding Mechanism

WIA programs operate on a PY calendar. Therefore, funds appropriated in FY 2014 are available from July 1, 2014 through June 30, 2015. WIA requires the Department to conduct a grants competition to select the entities that will operate the NFJP. The grants competition is performed through a solicitation for grant applications. The competition is open to state and local agencies, state and local workforce investment boards, faith-based and community organizations, institutions of higher education, and other entities that have the capacity to operate a diversified program of workforce services to MSFWs. In non-competition program years, each grantee is required to submit an annual grant plan for the coming year. Minimum criteria for the

¹ National Agriculture Worker Survey, <http://www.doleta.gov/agworker/naws.cfm>

² National Agriculture Worker Survey, <http://www.doleta.gov/agworker/naws.cfm>

³ Evaluation of the JTPA Title IV Migrant and Seasonal Farmworker Program, Research and Evaluation Report Series 94-A, U.S. Department of Labor, Employment and Training Administration, 1994

⁴ Amounts represent program year funding, not fiscal year availability.

MIGRANT AND SEASONAL FARMWORKERS

content of these plans are contained in a Training and Employment Guidance Letter issued to all grantees.

NFJP funds are allocated annually to state service areas via formula. The formula estimates the numbers of eligible farmworkers in each state by drawing data from the Census, the Agricultural Census, the NAWS, and the Farm Labor Survey.

There is at least one grantee in every state and Puerto Rico with the following exceptions: Alaska and Washington, DC, which have a small relative share of seasonal agricultural employment; Connecticut and Rhode Island, which are a combined state service area; and Maryland and Delaware, which are a combined state service area. Because of the large number of agricultural workers, California is represented by a total of five grantees.

FY 2014

In 2014, the Department is requesting \$84,291,000 for NFJP, the same funding level as 2012. With these funds, the program will prepare MSFWs for good jobs in the following ways:

- Help farmworkers in low-wage jobs or out of the labor market by providing training to increase their skill level and offering supportive services to diminish the impact of employment barriers;
- Increase workers' incomes and narrow wage and income inequality by providing a unique array of employment and training services to a vulnerable population;
- Help farmworkers enter into and/or remain in the middle class by offering them and their dependents services that help them attain stable, good-paying, year-round jobs in and out of the agricultural industry; and
- Provide permanent and temporary housing assistance that enables farmworkers to complete skills training, retain employment, and improve their economic outcomes.

These funds will serve approximately 18,300 participants with core, intensive, training and supportive services. NFJP consistently achieves high performance outcomes and the performance goals for the program for 2014 are as follows:

- Entered Employment Rate: 80.5 percent;
- Employment Retention Rate: 76.5 percent; and
- Six Months Average Earnings: \$10,049.

In order to meet these targets, the Department will encourage a number of strategies:

- Better align the program with other strategies developed for the public workforce system to achieve integration of services for farmworkers;
- Support the program operators through enhanced technical assistance and training efforts that enable the program to operate efficiently and effectively, in particular the strategies identified in an ongoing NFJP evaluation that will be published in summer 2013;
- Tailor strategies for developing employment opportunities for farmworkers to the growth

MIGRANT AND SEASONAL FARMWORKERS

- and high-demand industries in NFJP service areas;
- Identify innovative practices for serving the farmworker population, and provide opportunities for grantee-to-grantee sharing on successes in helping NFJP participants achieve great economic stability;
- Tailor strategies for participant assessment and case management when working with a target population that faces multiple barriers to employment; and
- Work in cooperation with the regional offices to enhance performance management, accountability, and reporting.

These strategies are in support of the Department's Strategic Goal 1: Prepare workers for good jobs and fair compensation, and the outcome goals of increasing workers' incomes and narrowing wage inequality; assuring skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like "green" jobs; and helping workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.

Of the total resources requested, \$78,105,000 would be allocated for formula grants; \$5,678,000 for migrant and seasonal housing; and \$508,000 for other purposes, including technical assistance to grantees.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

The Department received \$84,291,000 to fund NFJP for 2012. As required by the Consolidated Appropriations Act of 2012, after the rescission was applied, \$78,105,000 was allocated for formula grants (of which not less than 70 percent is for employment and training services); \$5,678,000 for migrant and seasonal housing (of which not less than 70 percent is for permanent housing); and \$508,000 for other purposes, including technical assistance to grantees.

Throughout PY 2012, these funds will have served approximately 18,300 participants with core, intensive, training, and related assistance services. The Department increased the performance goals for the program from 2011 to the following: Entered Employment Rate: 80.5 percent, Employment Retention Rate: 76.5 percent, and Six Months Average Earnings: \$10,049.

In order to meet these targets, the Department encouraged a number of strategies established through the competitive grants process conducted in 2012:

- Better align the program with other strategies developed for the public workforce system to achieve better integration of services for farmworkers;

MIGRANT AND SEASONAL FARMWORKERS

- Emphasize improved earnings and increased rates of credential and educational attainment; and
- Support the program operators selected through the grants competition through technical assistance that enables the program to operate efficiently and effectively.

Technical assistance, an important component for implementing the strategies, was provided in the following areas:

- Policy and programmatic support in working collaboratively with American Job Centers to serve MSFWs;
- Capacity building for grantees to form partnerships with community colleges and technical schools that offer educational opportunities in growth and high-demand industries;
- Strategies for job development that result in better employment opportunities for farmworkers; and
- Utilizing ETA's on-line career tools to improvement case management and service delivery to NFJP participants.

MIGRANT AND SEASONAL FARMWORKERS

DETAILED WORKLOAD AND PERFORMANCE							
		PY 2011 Enacted		PY 2012 Revised Enacted		PY 2013 Full Year C.R.	PY 2014 Request
		Target	Result	Target	Result	Target	Target
Migrant and Seasonal Farmworkers							
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.							
Outcome Goal 1.1 - Increase workers' incomes and narrow wage and income inequality.							
ETA-CH1-NFJP- GPRA-03	Six Month Average Earnings	\$9,050.00	\$10,248.00	\$10,049.00	--	\$10,049.00	\$10,049.00
	Participants	18,340	19,700	18,304	--	18,304	18,304
	Cost Per Participant	\$4,267.00	\$3,972.00	\$4,267.00	--	\$4,267.00	\$4,267.00
Outcome Goal 1.3 - Help workers in low-wage jobs or out of the labor market find a path into middle class jobs.							
ETA-CH1-NFJP- GPRA-01	Entered Employment Rate (NFJP)	75.00%	82.60%	80.50%	--	80.50%	80.50%
Outcome Goal 1.4 - Help middle-class families remain in the middle class.							
GPRA	Retention Rate	72.00%	80.90%	76.50%	--	76.50%	76.50%

Legend: (r) Revised (e) Estimate (base) Baseline

-- Not Applicable TBD - To Be Determined [p] - Projection

MIGRANT AND SEASONAL FARMWORKERS

Workload and Performance Narrative

The Department measures performance for the NFJP based on three outcomes: the entered employment rate, the employment retention rate, and six-month average earnings. Program grantees target their service delivery strategies to the specific needs of the MSFW population in their State service areas and the needs of employers in those areas. The Department provides policy and programmatic guidance to help grantees identify strategies that are beneficial in improving successful employment outcomes for this hard-to-serve population in the current economy.

The targets for the entered employment rate, the employment retention rate, and six-month average earnings are based on a methodology developed by the Department for setting national performance targets using regression analysis. The methodology utilizes a regression model to estimate the magnitudes of the responses of employment and training program outcomes to the effects of the business cycle and labor market conditions. The adjusted targets are produced using program results from the prior year, the responses of the various program outcomes with respect to the condition of the labor market, and OMB's projections of the unemployment rate matched to the timeframe pertinent to the particular program outcome being considered. The methodology results in performance targets that reflect the expected impact of the economic environment on program performance. The data used to create the targets come from NFJP program data collected through the Workforce Investment Act Standardized Participant Record (WIASPR), OMB and the BLS and are updated on an annual basis.

In addition to outcomes, the Department also measures workload in terms of the number of participants served by the program. In 2014, the program projects 18,304 participants served at an average cost of \$4,267 per participant. The projected number of participants for 2014 is derived by dividing the 2014 funding level for NFJP formula grants by the 2014 projected average cost per participant.

The Department monitors grantee performance regularly through Federal Project Officers in regional offices to ensure grantees are on target to meet performance goals. Such monitoring informs the design and delivery of technical assistance to improve performance. As part of program monitoring, the Department tracks the following system outputs:

- Number of people served by the program;
- Number of people who received training; and
- Amount of money spent.

These outputs help the Department understand whether grantees are implementing strategies that will help them meet their outcome goals.

MIGRANT AND SEASONAL FARMWORKERS

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
25.2	Other services from non-Federal sources	0	0	0	0
41.0	Grants, subsidies, and contributions	84,291	84,807	84,291	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	84,291	84,807	84,291	0

MIGRANT AND SEASONAL FARMWORKERS

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Other services from non-Federal sources \$0

Grants, subsidies, and contributions 0

Insurance claims and indemnities 0

Built-Ins Subtotal \$0

Net Program \$0

Direct FTE 0

	Estimate	FTE
Base	\$84,291	0

WOMEN in APPRENTICESHIP

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	996	1,002	0	-996
FTE	0	0	0	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Introduction

Over the past few years, Congress has appropriated approximately \$1 million annually for the Women in Apprenticeship and Non-Traditional Occupations Act (WANTO) of 1992 (Public Law 102-530). The WANTO Act's purpose is to provide technical assistance to employers and labor unions to assist them in placing women into apprenticeable and nontraditional occupations. The Department's Women's Bureau and ETA jointly administer the program.

WANTO grants fund projects that improve women's participation in Registered Apprenticeship programs for nontraditional occupations in a broad range of industries, including advanced manufacturing, transportation, and construction. These projects support the Department's goals by providing women with opportunities to obtain career pathways into the middle class through high wage occupations. Additionally, these projects help address long-standing barriers that women have traditionally experienced as they seek entry into construction jobs. . Once the WANTO grant program is eliminated, the goals and objectives of WANTO will continue to be addressed through technical assistance efforts from the Office of Apprenticeship, in conjunction with the Women's Bureau, and through guidance to the Workforce Investment Act (WIA) system.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$1,000	0
2010	\$1,000	0
2011	\$998	0
2012	\$996	0
2013	\$1,002	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Funding Mechanism

WIA programs operate on a PY calendar. Therefore funds appropriated in FY 2014 are available from July 1, 2014 through June 30, 2015. WANTO grants are awarded to community-based organizations, which form partnerships with labor organizations, Registered Apprenticeship program sponsors, community colleges, and employer-related non-profit organizations.

WOMEN in APPRENTICESHIP

FY 2014

The Department is not requesting funding in 2014 for WANTO grants. Although this program is intended to address a critical need, in the Department's recent experience, we have found the WANTO program is too small to have a meaningful impact on the number of women participating in registered apprenticeship programs, and the need is better met through other activities. The Department is developing proposed changes to regulations for Equal Employment Opportunity (EEO) in Registered Apprenticeship (29 CFR part 30), which are planned for publication in the Fall of 2013. These proposed revisions seek to improve the effectiveness of Registered Apprenticeship program sponsors' affirmative action efforts. These revisions to Registered Apprenticeship's regulatory framework should lead to expanded promotion of Registered Apprenticeship and non-traditional job opportunities for women and under-represented populations, and will likely have a greater impact on promoting opportunities in non-traditional jobs for women. The Office of Apprenticeship (OA), funded out of the Program Administration account, will continue to provide outreach and technical assistance to employers and other apprenticeship sponsors. These outreach efforts include ensuring equal opportunity in registered apprenticeship programs. Based on lessons learned from previous WANTO grants, OA is developing a national framework to establish consistency and quality across pre-apprenticeship programs that help minorities and women gain greater access to apprenticeship opportunities.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012 and FY 2011

In 2012 and 2011, Congress appropriated \$998,000 and \$996,000 respectively, to DOL for WANTO grants. These funds have been combined to support six competitive grant awards to consortia of registered apprenticeship program sponsors and community-based organizations. These grants will provide educational opportunities and support participants' preparation for non-traditional and green-related occupations in a broad range of industries, including advanced manufacturing, transportation, and construction.

DOL has generally competitively awarded three WANTO grants per annual appropriation to cover a two-year period of performance for the selected grantees, and DOL has collected data on the number placed in Registered Apprenticeship or related employment. The PY 2008 WANTO appropriations were awarded as extensions to grants initially awarded in PY 2006 and PY 2007. The PY 2009 and PY 2010 appropriations for \$1,000,000 per year were combined to support six competitive grant awards to consortia of registered apprenticeship program sponsors and community-based organizations. The Department incrementally awarded these six grants in

WOMEN in APPRENTICESHIP

June 2010, with the first funding increment awarded in June 2010 (obligating PY 2009 funds) and the second funding increment awarded in July 2010 (obligating PY 2010 funds).

The first round of WANTO grants had lower than expected placement into Registered Apprenticeship, due to the construction industry being severely impacted by the recent recession and housing situation. There were few opportunities for new hires of women or men in this industry as a whole. Placement of participants by these grantees has become much more difficult and requires the provision of more intensive services, including greater outreach and support. The tracking of the participants are provided by the individual grantees and reported as an aggregate count. The combined results for this first round of WANTO grantees, reported in 2010, are 1,229 women placed into pre-apprenticeships and 509 placed into registered apprenticeships.

Given the continuing challenges in the construction industry, the Department has also found that first year of performance for the next round of six WANTO grants (funded by PY 2009 and PY 2010 appropriations) continues to show grantees are having difficulty placing participants into pre-apprenticeships and/or registered apprenticeship. Therefore these grantees will also need to provide intensive services and support. The interim, combined results for these grantees are 60 placements in registered apprenticeship, and 57 participants placed in related employment.

Summary of Available Outcome Data from Administrative Records Years of Funding	of Grantees	Placement in RA Target	Placement in RA Actual
PY07 and PY08 combined	6	600	509
PY09 and PY10 combined	6	300	60
PY11 (To be Awarded)	--	150	--
PY12 (To be Awarded)	--	150	--

WOMEN in APPRENTICESHIP

DETAILED WORKLOAD AND PERFORMANCE						
	PY 2011 Enacted		PY 2012 Revised Enacted		PY 2013 Full Year C.R.	PY 2014 Request
	Target	Result	Target	Result	Target	Target
Women in Apprenticeship						
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.						
Outcome Goal 1.1 - Increase workers' incomes and narrow wage and income inequality.						
Participants	300	--	300	--	300	--
Number Entered Employment (as measured by placed in Registered Apprenticeship or related employment)	150	--	150	--	150	--
Cost per participant	\$3,333.00	--	\$3,333.00	--	\$3,333.00	--

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

WOMEN in APPRENTICESHIP

Workload and Performance Narrative

In 2014, the Department proposes to eliminate funding for Women in Apprenticeship. ETA has generally competitively awarded three WANTO grants per annual appropriation to cover a two-year period of performance for the selected grantees. Beginning with the FY 2011 appropriation, ETA used a new measure of performance, the Number of Participants Entering Employment as measured by placement into registered apprenticeship or related employment, to track the number of women being trained and placed by the WANTO grantees during the two-year performance cycle. A \$3,333 cost per participant number has been calculated by dividing the number of individuals served per year by the total historical funding amount of \$1 million. This cost per participant is likely to increase if grantees provide expanded supportive services and extended post-placement follow-up support. These targets supports the Strategic Goal 1, *Prepare workers for good jobs and ensures fair compensation* and the Outcome Goal 1.1, *Increase workers' incomes and narrow wage and income inequality*.

WOMEN in APPRENTICESHIP

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	996	1,002	0	-996
	Total	996	1,002	0	-996

WOMEN in APPRENTICESHIP

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Advisory and assistance services \$0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program -\$996

Direct FTE 0

	Estimate	FTE
Base	\$996	0
Program Decrease	-\$996	0

YOUTHBUILD

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	79,689	80,177	79,689	0
FTE	0	0	0	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Introduction

The YouthBuild program aligns with the Department’s goals of preparing workers for good jobs and assuring the skills and knowledge that prepare workers to succeed in a knowledge-based economy. YouthBuild specifically targets at-risk, high-school dropouts who are particularly vulnerable in the current economy. YouthBuild addresses the challenges faced by unemployed, high-school dropouts by providing them with an opportunity to gain both the education and occupational skills that will prepare them for good jobs with good wages.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$70,000	0
2010	\$102,500	0
2011	\$79,840	0
2012	\$79,689	0
2013	\$80,177	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Funding Mechanism

WIA programs operate on a PY calendar. FY2014 YouthBuild funds are available from April 1, 2014 through June 30, 2015. The funds appropriated for YouthBuild are authorized by the YouthBuild Transfer Act of 2006 and are awarded through grant competition. The Department of Labor (Department) has ended the incremental funding approach that it used for the YouthBuild program in the first two award cycles. The new approach results in fewer grants being awarded each year, but also provides for yearly competitions and more certainty for grantees. The Department will continue to fund programs for two years of program operation and one year of follow up.

FY 2014

The Department requests \$79,689,000 for the YouthBuild program, the same as the 2012 enacted level, to continue its work in assisting youth who have dropped out of high school to build the skills necessary to acquire long-term career employment. After the statutory five percent set-

YOUTHBUILD

aside for technical assistance, \$75,704,550 will be used to fund grant awards to approximately 75 programs that will serve approximately 5,208 youth over a two-year period with an average cost per participant of \$15,300.

In 2014, the Department's YouthBuild program will provide education and occupational skills training to program participants by providing them with academic training and occupational skills training that provides a clear path into a chosen career field. Participants obtain industry-recognized credentials which support placements in post-secondary education, apprenticeships, and employment. YouthBuild will continue its expansion of training in demand occupations outside of construction, which began with the 2012 grant competition. The Department will also continue to focus its efforts on increasing credential attainment (GEDs, high school diplomas, and industry-recognized certificates) for YouthBuild participants and place emphasis on enhancing post-program placement in employment, post-secondary education including community colleges, and registered apprenticeships.

While ETA administers the program, other agencies also support the program. The Department's Office of Federal Contract Compliance Programs (OFCCP) will continue to engage on both a national and regional level to create employment opportunities for YouthBuild participants. Other partnership efforts will include a continued focus on developing and maintaining solid connections to community colleges and apprenticeship programs. These connections will assist YouthBuild participants in receiving additional education and training after they have exited the program and increasing their ability to enter high-wage careers. The Occupational Safety and Health Administration (OSHA) will continue to provide technical assistance and resources to grantees to ensure the safety of the YouthBuild participants on the work site. Finally, the Office of Apprenticeship will continue to work on creating strong connections to Registered Apprenticeships for YouthBuild participants.

The YouthBuild Web-based Case Management System provides real-time data to grantees which allows access to data necessary to monitor program outcomes and develop strategies to better serve youth in the program. This system allows ETA the ability to monitor data and trends in performance outcomes which lead to the development or enhancement of technical assistance activities for grantees such as training, policy guidance or development of tools and resources to support program performance. Outcome data is collected on individual participants and may be reported on a grantee level or on an aggregate basis for all grantees and participants in a funding cycle. The availability and use of the case management system has proven to be a valuable tool in managing performance at both the grantee level and within the program office as well.

Five percent of YouthBuild funding is allocated to technical assistance through the YouthBuild Transfer Act of 2006. Technical assistance is provided via training and coaching to grants that support performance outcomes in job placement, academic achievement and the attainment of industry-recognized credentials. These funds are used to improve the overall implementation of the YouthBuild program and increase performance. The Department will continue to support YouthBuild coaching strategies for grantees. Coaches provide individualized support and technical assistance to grantees in key areas which include performance improvement, strategic planning, construction certification and academic supports. Technical assistance also is provided through national learning exchanges, regional peer-to-peer exchanges, Webinars, virtual training,

YOUTHBUILD

and the use of electronic resources available through the YouthBuild Community of Practice. The Community of Practice provides ongoing access to tools and resources to support program implementation and performance outcomes.

A portion of the funds will be used to increase cross-cutting learning opportunities and collaboration with other Federal agencies which will build upon previous studies that both the Department and other agencies have undertaken, with the goal of facilitating rigorous employment and training-related research and evaluation. The Department also will continue to support the random assignment evaluation which began in the Fall of 2011. The YouthBuild random assignment evaluation will continue through 2017. The study will include: a process analysis that will examine how the YouthBuild programs operate; an impact analysis that will use a random assignment research design to measure what difference YouthBuild makes for the young people it serves, focusing on areas like education, employment, and health; and a cost-effectiveness analysis that will compare the financial costs of the YouthBuild program overall to the benefits its services provide.

Each of the 60 sites selected are using random assignment of control and experimental groups to provide baseline data which speaks to the effectiveness of YouthBuild programs. Data will be aggregated to show trends in outcomes among youth in the program. MDRC was selected to conduct the random evaluation study. MDRC will continue to provide support and technical assistance to grantees participating in the study. By participating in the YouthBuild evaluation, programs will help build further knowledge on effective strategies for helping disadvantaged youth. A process evaluation report is expected in 2013, with impact reports planned for 2015 and 2017.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

In 2012, ETA received an appropriation of \$79,689,000 for the YouthBuild program. After the statutory set-aside for technical assistance, \$75,704,550 was used to fund grant awards to 74 programs to serve approximately 5,208 youth over a two-year period. The Department hosted a grant competition in the Spring of 2012 and funds were awarded in the Fall of 2012.

Providing solid and responsive customer service to grantees is a key aspect of the Department's administration of the YouthBuild program. The Department continued to provide comprehensive technical assistance through the use of coaches and targeted learning communities designed to be responsive to YouthBuild grantee needs and to improve program outcomes. Technical assistance funding is required as part of the YouthBuild Transfer Act legislation and is five percent of the total appropriation. These program funds were used to

YOUTHBUILD

improve the overall implementation of the YouthBuild program and increase performance. The technical assistance strategy included the development of electronic tools and e-learning opportunities, national learning exchanges, and regional peer-to-peer events. In 2012, the Department focused its efforts on building the overall quality of existing programs through established technical assistance efforts.

Partnerships are increasingly important to successfully meeting the strategic goals and ensuring that available resources are used efficiently. ETA continued its work with the Office of Federal Contract Compliance Programs (OFCCP) to create employment opportunities for YouthBuild participants. Other partnership efforts included a continued focus on developing and maintaining solid connections to community colleges and apprenticeship programs. These connections will assist YouthBuild participants in receiving additional education and training after they have exited the program, increasing their ability to enter high-wage careers. ETA worked closely with OSHA to provide technical assistance and resources to grantees to ensure the safety of the YouthBuild participants on the work site. ETA's National Office of Apprenticeship continued to support this program, focusing on creating strong connections to Registered Apprenticeships for YouthBuild participants. As a result of the Department's efforts, the number of YouthBuild participants who have transitioned into Registered Apprenticeships continued to increase despite limited placement opportunities in the construction industry. Since 2009, the number of YouthBuild participants entering registered apprenticeship more than doubled. The Department provides technical assistance to YouthBuild programs on an ongoing basis to ensure youth are trained in energy efficiency, renewable energy, and the use of sustainable green building techniques. This training is designed to provide youth with the skills they need to become part of the new green economy. The Department also continued its partnership, begun in 2011, with SAMHSA by continuing training on the SBIRT tool.

The competition for 2012 was significantly different from past Solicitations for Grant Applications (SGA). In addition to the required construction skills training, organizations that had been previously funded by the Department for a YouthBuild grant were given the opportunity to provide occupational skills training in industries other than construction provided that the training was for a demand industry(s) as demonstrated by local labor market information and allowed for the attainment of an industry-recognized credential.

YOUTHBUILD

DETAILED WORKLOAD AND PERFORMANCE						
	PY 2011 Enacted		PY 2012 Revised Enacted		PY 2013 Full Year C.R.	PY 2014 Request
	Target	Result	Target	Result	Target	Target
Youthbuild						
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.						
Outcome Goal 1.1 - Increase workers' incomes and narrow wage and income inequality.						
Percent of participants deficient in basic skills who achieve literacy or numeracy gains of one Adult Basic Education (ABE) level	52.0%	58.3%	58.8%	--	58.7%	58.4%
Outcome Goal 1.2 - Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including high-growth and emerging industries like "green" jobs.						
Youth Placement into Employment or Education	41.7%	47.5%	50.2%	--	50.4%	50.7%
Percent of participants who earn a GED or certificate by the end of the third quarter after exit (YouthBuild)	60.0%	66.2%	62.9%	--	63.0%	63.0%
Participants	5,220	7,279	5,208	--	5,240	5,208
Cost Per Participant	\$15,300.00	\$10,420.00	\$15,300.00	--	\$15,300.00	\$15,300.00

NOTE: The cost per participant is calculated based on the 2011 Enacted level minus the five percent statutory technical assistance set-aside.

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

YOUTHBUILD

Workload and Performance Narrative

The YouthBuild program uses innovative strategies to support competitive grant projects including intensive, targeted technical assistance; a focus on partnerships to ensure resource alignment; and a strong focus on degrees and certificates. To support these strategies and ensure successful implementation of the grants, the YouthBuild program utilizes the Federal Common Performance Measures for Employment and Training Programs to assess program performance and improve accountability. These measures include placement in employment, education, or long-term training; attainment of a degree or certificate; and literacy and numeracy gains. YouthBuild also collects information on placement retention and, where applicable, recidivism rates. The emphasis on improving young people's literacy and numeracy skills and credential attainment will put youth on the path to be more successful in a knowledge-based economy.

During the transfer of the administration of the YouthBuild program from the U.S. Department of Housing and Urban Development, the Government Accountability Office (GAO) issued a report that recommended that the Secretary of Labor should “...develop and monitor post-program performance outcome measures for the YouthBuild program, such as the types of employment graduates attained and retained, wage rates, and degrees or certifications received, and share the data with the grantees.”¹

The Department agreed with this recommendation and built a Web-based management information system that collects individual data for all YouthBuild participants enrolled in the program. In addition, the Department also collects and reports quarterly on individual demographics, assessment information such as educational achievement, services, and outcomes including placement in employment/education, attainment of degree/certificate, retention rates, recidivism rates, and wage rates, among others.

The outcome goals for PY 2014 are to meet the proposed targets indicated above for placement into education or employment, credential attainment, and literacy/numeracy. To accomplish this, the Department will continue to utilize the coaching model of technical assistance delivery first introduced in PY 2010; the coaching model has been proven to be a successful way to not only deliver technical assistance but to identify promising and innovative practices that can be shared throughout the YouthBuild community. Coaching augments the Department's use of electronic tools such as the YouthBuild Community of Practice, e-learning modules, and webinars, as well as hosting national learning exchanges and regional peer-to-peer events that allow for the sharing of promising practices and peer exchange.

Initial progress suggests that these technical assistance efforts have yielded improved performance outcomes. At the end of PY 2007, when technical assistance was just starting to be deployed, the rate of placement into education and employment was 16 percent, the credential attainment rate was 34 percent, and the literacy and numeracy gains rate was 13 percent. At the end of PY 2011, the outcomes show a rate of 47.5 percent placement in education and employment, 66.2 percent credential attainment, and 58.3 percent of basic skills deficient

¹GAO Report to Congressional Committees: YOUTHBUILD PROGRAM: Analysis of Outcome Data Needed to Determine Long-Term Benefits <http://www.gao.gov/new.items/d0782.pdf>

YOUTHBUILD

participants demonstrating a gain in literacy and/or numeracy. Intensive technical assistance is provided to grantees on the use of the data system and the use of data analysis for improved performance management, which has resulted in increased and improved collection of data. In addition to the technical assistance provided by the Department, the inherent design of the YouthBuild program, which integrates classroom and work site training, lends itself to increased performance for program participants.

The targets are based on a methodology developed by the Department for setting national performance targets using regression analysis. The targets were set using coefficient estimates derived from the WIA Youth program. Based on the expected cost per participant of \$15,300, the Department projects to enroll more than 5,200 participants within both PY 2013 and 2014, as the YouthBuild annual appropriation funds two years of program operations. The \$15,300 cost per participant is based on an average program length of nine months, the payment of stipends to participants, the equipment required for construction, and the number of staff required to create a small and supportive environment for the youth. The expected enrollment rate differs from the participant number listed in the workload table, which is a count of the number of participants served in PY 2011, rather than enrolled, as participants may be actively served in a YouthBuild program for up to two years.

The Department monitors the performance of YouthBuild grantees through the submission of Quarterly Performance Reports (QPR) that capture the data entered into the Department of Labor Case Management and Performance system. In addition to reporting on the long-term common measures, the QPR also provides interim measures including initial job placements, certificates awarded, and placements into post-secondary education or apprenticeship. YouthBuild grantees also are required to submit a quarterly narrative report which provides a detailed description of activities, promising practices, and challenges occurring during the quarter. The Department uses these reports to target technical assistance in response to challenges the grantees may be experiencing. Because the performance and interim measures are directly tied to the Department's strategic goals, the technical assistance provided ensures that grantees are able to prepare youth for good jobs and continued success in a knowledge-based economy.

The Department regularly monitors grantee performance through Federal Project Officers in regional offices to ensure grantees are on target to meet performance goals. Such monitoring informs the design and delivery of technical assistance to improve performance. As part of program monitoring, the Department looks at the grant performance in comparison to the performance targets and also reviews expenditures on a quarterly basis.

The Department selected MDRC (Manpower Demonstration Research Corporation) on June 30, 2010, to perform a random assignment impact evaluation of YouthBuild, which will produce preliminary findings in 2015 and a final report with long-term outcomes in 2017. MDRC began the random assignment impact evaluation with grants awarded in 2010 and 2011. The results of this evaluation will inform future program design.

YOUTHBUILD

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
41.0	Grants, subsidies, and contributions	79,689	80,177	79,689	0
	Total	79,689	80,177	79,689	0

YOUTHBUILD

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Grants, subsidies, and contributions

\$0

Built-Ins Subtotal

\$0

Net Program

\$0

Direct FTE

0

Estimate

FTE

Base

\$79,689

0

PILOTS, DEMONSTRATIONS AND RESEARCH

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	6,603	6,643	25,000	18,397
FTE	0	0	0	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Introduction

Pilot, Demonstration, and Research (PD&R) activities are authorized under Section 171 of the Workforce Investment Act of 1998 (WIA). Under Section 171, the Employment and Training Administration (ETA) conducts pilot, demonstration, and research activities that support key areas of program and policy emphasis, inform workforce investment policies and investment decisions, and support continuous improvement of the workforce investment system.

Section 171(a)(1) of WIA directs the Secretary of Labor to publish "...a plan that describes the demonstration and pilot (including dislocated worker demonstration and pilot), multi-service, research, and multistate project priorities of the Department of Labor concerning employment and training for the 5-year period following the submission of the plan." This plan is to be revised every two years. Section 171(b)(1) continues "...the Secretary shall... carry out demonstration and pilot projects for the purpose of developing and implementing techniques and approaches, and demonstrating the effectiveness of specialized methods, in addressing employment and training needs." Section 171(c)(2)(A) calls for the Secretary to "carry out research projects that will contribute to the solution of employment and training problems in the United States."

Comprehensive, rigorous, and robust research and evaluations are identified and developed through the five broad areas or themes identified in ETA's Five-Year Research and Evaluation Strategic Plan for Program Years 2012-2017 (ETA's Five-Year Research and Evaluation Plan) and *Five-Year Learning Agenda for FY 2012* (ETA Learning Agenda), developed in collaboration with the Department's Chief Evaluation Office (CEO). The Research and Evaluation Plan, available in ETA's Research and Evaluations Portal¹, is used to identify, prioritize, and carry out research and evaluations over a period of five years. It demonstrates efforts to work collaboratively with the CEO, focuses efforts on priority areas of need and on cross-cutting learning opportunities, and identifies opportunities for collaboration with other Federal agencies, such as the Departments of Education and Health and Human Services. Building on previous studies that both the Department of Labor (Department) and others have conducted, the plan also identifies crucial areas where improvements could be made to facilitate rigorous research and evaluation efforts.

¹ ETA's Research and Evaluations Portal: <http://www.doleta.gov/research/>

PILOTS, DEMONSTRATIONS AND RESEARCH

The ETA Learning Agenda builds on the Five-Year Research and Evaluation Plan and aligns existing and proposed research and applied research projects, for the current budget year and following two budget years, to the following five areas or themes:

- Understanding Changing Labor Markets;
- Identifying Effective Strategies;
- Improving Workforce System Infrastructure;
- Addressing the Needs of Special Populations; and
- Building Research Infrastructure and Support.

To measure progress made toward meeting the goals for research and evaluation, the Department established the following performance measures:

- The percent of PD&R and Evaluation reports identified for external publication that are published within six months of receipt by ETA;
- The percent of non-earmarked PD&R and Evaluation funds that are awarded competitively; and
- The number of instances where published PD&R and Evaluation reports have been used to inform policy and research.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$48,781	0
2010	\$93,450	0
2011	\$9,980	0
2012	\$6,603	0
2013	\$6,643	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Funding Mechanism

ETA funds pilot, demonstration, and research projects through grants or contracts as authorized under section 171 of the WIA. WIA programs operate on a PY calendar. Therefore, funds appropriated in FY 2014 are available from April 1, 2014 through June 30, 2015.

FY 2014

In Fiscal Year 2014, the Department requests \$25,000,000 to pilot and rigorously evaluate potential low-cost structural changes to the public workforce investment system that will substantially improve services to seniors. As noted in a recent GAO report, “unemployed Older Workers” (GAO-12-445), the long-term unemployment rate among seniors has risen faster and stayed higher than the long-term unemployment rate for the rest of the population. Two potential pilot areas are identified in GAO’s recommendations: 1) developing job search assistance

PILOTS, DEMONSTRATIONS AND RESEARCH

programs that address skill deficiencies common among seniors, and 2) changing the performance measures to eliminate the disincentives to placing older workers in part-time employment. Other potential pilot areas may be identified via the current process evaluation of senior-targeted job search assistance programs, or a review of existing literature. ETA will develop and conduct this pilot in consultation with the CEO.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

In 2012, \$6,603,000 was available to support PD&R activities.

ETA developed an annual Spending Plan to ensure PD&R funds were obligated in accordance to the Five-Year Research and Evaluation Plan and the Learning Agenda. The PY 2012 Spending Plan included both continuing and new proposed projects as follows:

1. **Dissemination of Research on Youth with Disabilities** – Initiated in June 2011, this study is an analytical overview of practices that local workforce investment areas and their youth providers have in place to serve youth with disabilities. The goals of the study are to: 1) understand program features in serving this population, and 2) discuss the implementation of selected practices with a focus on transition to competitive employment and postsecondary education. The draft final report is anticipated in June 2013.
2. **Veterans' Licensing and Certification in Demand Occupations** – The Veterans' Licensing and Certification in Demand Occupations Demonstration Project will build on the current efforts of the Departments of Defense, Veterans Affairs, and Labor by creating the framework that identifies and implements solutions and strategies required for reducing or eliminating licensing and certification barriers for veterans transitioning into the civilian workforce. This two-year project will focus on a specific set of occupations that are both present in large numbers in the military and are in high-demand in the civilian world. The demonstration also will test the solutions and strategies identified for accelerated attainment of civilian credentials for transitioning veterans into the workforce in pilot states that are experiencing high unemployment insurance claims from returning veterans.
3. **Non-Traditional Employment Project** – The Non-Traditional Employment Demonstration Project will examine promising ways to increase opportunities for all, but specifically for women and others facing barriers to employment, through career pathways that lead to high-skilled, high wage jobs where these groups are traditionally

PILOTS, DEMONSTRATIONS AND RESEARCH

underrepresented. The project will fund a demonstration in a small set of sites, and evaluate the impact of demonstration services on employment outcomes for participants. The CEO will assist in the development of the project's research design.

4. **Analyses of Employment and Training Program Outcomes for Hispanics and Asian Americans** – In Executive Orders 13555 and 13125, the President directs Federal agencies to address issues concerning Hispanics, Asian Americans, and Pacific Islanders. Federal agencies are further directed to prepare agency plans or produce reports to expand or improve educational outcomes. The analysis conducted with these funds will be used to develop a consistent set of strategic activities and data sets aligned with the Executive Orders to measure the impact of services provided for these communities. Conducting the analyses annually will allow the Department to respond to the requests for annual updates for these executive orders, as well as to lay the groundwork for the Executive Orders for the African Americans and Native American communities. The CEO will assist in the development of the project's research design.
5. **Assessing Outcome Measures for Native Americans and Migrant Workers** – This study would seek to identify appropriate additions to the common performance measures to capture a range of outcomes of ETA's programs for Native Americans, as well as Migrant and Seasonal Farmworkers. The CEO will assist in the development of the project's research design.
6. **Creating Adaptive Technology for Innovative Training Solutions** – This project supports a demonstration and test of Alternative Instructional Methods for Career Training, Pre-training, and/or Financial Literacy. Various video and online instructional models now exist, including one developed by the Defense Advanced Research Projects Agency, which has shown to rapidly increase secondary school level proficiency. This demonstration would experimentally test the learning and employment and earnings outcomes for adult and youth populations. The CEO will assist in the development of the project's research design.
7. **Expanding Employment Avenues for America's Disabled Veterans** – In partnership with the Office of Disability Employment Policy, Women's Bureau, and Veterans Employment and Training Service, ETA will examine outcomes of veterans with disabilities who go through the public workforce system, develop a basis for "what works," and identify strategies for overcoming systemic barriers. The CEO will assist in the development of the project's research design.

PILOTS, DEMONSTRATIONS AND RESEARCH

DETAILED WORKLOAD AND PERFORMANCE						
	PY 2011 Enacted		PY 2012 Revised Enacted		PY 2013 Full Year C.R.	PY 2014 Request
	Target	Result	Target	Result	Target	Target
Pilots, Demonstrations and Research						
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.						
Outcome Goal 1.2 - Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including high-growth and emerging industries like "green" jobs.						
Percent of Pilot, Demonstration, Research and Evaluation reports identified for external publication that will be published within six months of receipt by the ETA.	95%	95%	100%		95%	95%
Number of instances where published Pilot, Demonstration, Research and Evaluation reports have been used to inform policy and research.	--	NA	TBD		TBD	TBD
Percent of non-earmarked Pilot, Demonstration, Research and Evaluation funds that are awarded competitively.	80%	95%	95%		95%	95%
Projects (Pilots, Demonstrations, and Research)	18	29	20	31(p)	TBD	TBD
Reports (Pilots, Demonstrations, Research)	9	10	15	22(p)	15	TBD
Percentage of evaluation products peer reviewed by an independent panel	--	50%	50%		60%	60%

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

PILOTS, DEMONSTRATIONS AND RESEARCH

Workload and Performance Summary

The workload and performance summary table contains the number of projects and reports for PD&R. Methods to collect data for the number of instances where published Pilot, Demonstration, Research and Evaluation reports have been used to inform policy and research are being studied. Final results for the projections for PY 2012 will be available after June 30, 2013.

Workload performance projections of the number of projects (demonstration grants and/or research contracts) and reports for both the FY 2013 and FY 2014 targets are dependent upon the Departments Research and Evaluation Learning Agenda, as well OMB's approval of the Research and Evaluation Apportionment Plan and ETA's annual Research and Evaluation spending plan developed with assistance from the CEO.

PILOTS, DEMONSTRATIONS AND RESEARCH

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
25.1	Advisory and assistance services	6,052	6,089	6,052	0
41.0	Grants, subsidies, and contributions	551	554	18,948	18,397
	Total	6,603	6,643	25,000	18,397

PILOTS, DEMONSTRATIONS AND RESEARCH

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments \$0

Advisory and assistance services 0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program \$18,397

Direct FTE 0

	Estimate	FTE
Base	\$0	0
Program Increase	\$25,000	0
Program Decrease	-\$6,603	0

REINTEGRATION OF EX-OFFENDERS

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	80,238	80,729	90,238	10,000
FTE	0	0	0	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Introduction

The Reintegration of Ex-Offenders (RExO) program supports an American economy built on skills for American workers by preparing adult and youth ex-offenders and at-risk youth for the job market. The program increases incomes by helping ex-offenders and youth at-risk of criminal behavior to obtain employment and/or training in industries and occupations that offer good wages and opportunities for advancement. The program helps participants to gain skills and knowledge that will prepare them to succeed in a knowledge-based economy, including in demand industry sectors. These training opportunities are focused on providing industry-recognized credentials in demand industries, so that participants have increased opportunities for employment and the necessary skills for job growth. The program supports the economy by helping participants who are in low-wage jobs or out of the labor market find a path into middle class jobs by creating pathways to employment through partnerships with the workforce system, an increased focus on degree and credential attainment, and the use of the Federal bonding program.

As of December 31, 2011, there were 2.2 million persons in adult state and federal prisons and local jails in the U.S., an incidence of 937 persons out of 100,000 adults or 1 out of every 34 adults.¹ Adult and youth ex-offenders and at-risk youth face extraordinary challenges in reintegrating into society and obtaining and retaining employment. While these populations are at a disadvantage in the most prosperous of times, there are labor market challenges directly affecting the offender population that, if unaddressed, will have long-term consequences for the nation.

Complicating the issue further, both youth in the juvenile justice system and adults in the criminal justice system face severe educational and labor market barriers. A 2003 survey of juveniles in custody found that “30 percent of youth in custody report that they have been diagnosed with a learning disability, compared with 5 percent of youth between the ages of 10 and 20 in the general population.”² A study of Philadelphia public schools found that only 10 percent of students in the Class of 2000 who had been placed in a juvenile correctional facility eventually graduated from the Philadelphia School District.³ Adults in the criminal justice system also have low levels of educational attainment. Based on the 2008-2009 National Inmate

¹ Glaze, Lauren and Parks, Erika. 2011. “Correctional Populations in the United States, 2011.” U.S. Bureau of Justice Statistics

² “Youth’s Characteristics and Backgrounds: Findings from the Survey of Youth in Residential Placement,” U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention, Washington, D.C., December 2010.

³] Neild, R. C., & Balfanz, R. 2006. “Unfulfilled Promise: The Dimensions and Characteristics of Philadelphia’s Dropout Crisis, 2000-2005.” Baltimore: Center for Social Organization of Schools, Johns Hopkins University

REINTEGRATION OF EX-OFFENDERS

Survey conducted by the Department of Justice, 60 percent of state prisoners have dropped out of high school, 20 percent have a high school diploma without going on to college, 15 percent have some college experience, and 6 percent have a four-year college degree or higher.⁴

These low levels of educational achievement and attainment are steep barriers to employment when released prisoners return home. Jobs paying family-sustaining wages increasingly require a post-secondary degree. In its 2012 Employment Projections, BLS reported that occupations that require a post-secondary degree are expected to grow the fastest from 2010 to 2020. In the case of ex-offenders, research has shown that employment and wage levels are related to rates of reincarceration. A study by the Urban Institute of persons released from state prisons in Illinois, Ohio, and Texas found that only 45 percent of ex-offenders returning to Chicago, Houston, and the largest cities in Ohio were employed eight months after release.⁵ The study also found that “Predicted probabilities of reincarceration were 8 percent for those earning more than \$10 per hour; 12 percent for those earning \$7 to \$10 per hour; and 16 percent for those earning less than \$7 per hour—compared with 23 percent for those who were unemployed.”

Given the challenges described above, employment and training programs for youth and adult ex-offenders are critical to the current and future well-being of the nation and the reduction of recidivism. To address these issues and support the Department’s strategic goals, youthful ex-offender programs serve participants that are at risk of involvement with, or have been involved in, the juvenile justice system and have never been involved in the adult justice system. These youth-serving projects support a set of demonstrations that provide services to juvenile ex-offenders and youth that have been involved in the juvenile justice system but have not yet been adjudicated. These youth programs focus on increasing the attainment of high diplomas and credentials, as well as prevention and reduction of crime among those youth populations most at-risk of offending.

Adult ex-offender programming focuses on ex-offenders age eighteen and older that were incarcerated as adults. These employment and training programs are designed to enhance the skill level and increase the opportunity for employment through training in demand industries that offer industry-recognized credentials. These programs also incorporate mentoring, and other comprehensive post-release services targeted in urban communities characterized by large numbers of returning offenders. In an effort to meet offenders where they are, the adult-serving grants are working to increase training opportunities in demand occupations for offenders prior to release from incarceration, such as while on work release or in halfway houses. Both the adult and youth programs focus on developing the skills and knowledge necessary to succeed in a knowledge-based economy.

The Department has separate goals for the Adult and Youth Ex-Offender programs. For the Adult program, PY 2014 targets will be set at 59.7 percent for the entered employment rate, 68.1 percent for the employment retention rate, \$10,809 for six-months average earnings, and 22 percent or below for recidivism. For Youth Ex-Offender grants, the PY 2014 targets will be 17

⁴ Educational attainment data are available in Table 6 in Beck, Alan, et. al., 2010. ., 2010. in Beck, Alan, he United States, 2011.Determine L

⁵ Visher, Christy A., Sara Debus, and Jennifer Yahner. 2008. “Employment after Prison: A Longitudinal Study of Releasees in Three States.” Washington, DC: The Urban Institute

REINTEGRATION OF EX-OFFENDERS

percent recidivism rate for young ex-offenders ages 18 and above; a 16 percent recidivism rate for young ex-offenders ages 14-17; and a 37.1 percent placement rate for out-of-school participants ages 18 and above.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$108,493	0
2010	\$108,493	0
2011	\$85,390	0
2012	\$80,238	0
2013	\$80,729	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Funding Mechanism

WIA programs operate on a PY calendar. Therefore funds appropriated in FY 2014 are available from July 1, 2014 through June 30, 2015. The Department funds Reintegration of Ex-Offenders projects through a competitive solicitation process. Grants for serving adult ex-offenders will be awarded to non-profit faith-based and community organizations with 501(c)(3) status. Grants for serving youth offenders may be awarded to various types of organizations, including non-profit national and regional intermediaries, community-based organizations with 501(c)(3) status, and state and local government agencies.

FY 2014

In 2014, ETA requests \$90,238,000 in RExO funds to support a variety of program models for juvenile and adult offenders. This funding level will support approximately 15,000 participants.

By 2014, the initial impacts of the RExO-Adult random assignment evaluation will be known and the Enhanced Transitional Jobs Demonstration, of which ex-offenders are a target population, will be well underway. Lessons learned from these evaluations will be used to support efforts to better serve returning ex-offenders through Adult Ex-Offender grants that focus on extending vocational skills training that results in industry-recognized certifications to incarcerated offenders on work release or in halfway houses, further strengthening the connection between pre- and post-release services. ETA also will continue to collaborate with the Department of Justice to support pre- and post-release training and employment-focused programming and services for returning ex-offenders through the Federal Interagency Reentry Council and to share the evaluation findings for consideration and incorporation into possible future Second Chance Act funding opportunities.

In 2014, DOL will devote \$50 million to test and replicate innovative and evidence-based strategies to serve youth offenders. The strategies will continue to focus increasing the attainment of high school diplomas and industry-recognized credentials, reducing recidivism, and improving long-term employment prospects of participants, with the potential for program

REINTEGRATION OF EX-OFFENDERS

evaluation to further assess the impacts of these models. In particular, ETA intends to collaborate with the Department of Defense to demonstrate whether non-violent adjudicated youth will reap the same benefits from the National Guard's Youth ChalleNGe program that other at-risk youth do. The National Guard has successfully run an intensive youth residential program on military installations since 1980, which serves at risk youth who have not been involved in the juvenile justice system. A rigorous evaluation of the model has demonstrated significant positive outcomes, including a higher likelihood for those in the program to have obtained a GED, a higher likelihood of being employed after the program, and earnings of about 20% more than their counterparts.⁶

As provided for in appropriations language, \$20,000,000 will be used for competitive grants to national and regional intermediaries for activities that prepare young ex-offenders and school dropouts for employment, with a priority for projects serving high-crime, high-poverty areas. The Department will coordinate these grant activities with the Office of Juvenile Justice and Delinquency Prevention. Grants will be provided for pre-and post-release services for juvenile offenders and focus on developing strong employer partnerships. The Department intends to conduct a rigorous evaluation of this program, beginning in 2014. To support this evaluation, the Department is beginning feasibility assessments in program years 2012 and 2013.

The Department will use \$10,000,000 to fund a "Pay for Success" demonstration program model in PY 2014 designed to reduce recidivism increase education and certification attainment, and improve employment outcomes. Under this approach, the Department will only compensate the grant organizations if the performance outcomes are met, thus reducing the Department's risk in paying for programs that do not result in successful participant outcomes. This could produce a cost-effective method of helping hard-to-serve populations compete in the labor market through increased training and credential attainment. The Department will collaborate with the Department of Justice in designing and implementing this program.

Technical assistance is a key component of the Adult Ex-Offender program and grantees have access to a wide array of resources, including in-person and electronic training opportunities, peer-to-peer networking conferences, and webinars that share best practices for serving ex-offenders successfully. Grantees are required to submit quarterly performance, narrative and financial reports through a web-based Management Information System (MIS) that allows for daily review of real-time performance data. Thus, technical assistance can be deployed at the first sign that a grantee is struggling in a certain area. This access to real-time data has been invaluable in supporting grantees' success and the ongoing improvement of performance outcomes.

The Department provides technical assistance to youth ex-offender grantees to help them improve their performance and has provided technical assistance in specific subject areas, such as improving connections to private sector employers, implementing mentoring programs, and opportunities for community service. The Department will continue to monitor performance outcomes to ensure that grantees are accountable for program success and innovation.

⁶ Millenky, M., Bloom, D., Muller-Ravett, S. and Broadus, J. June 2011. "Staying On Course: Three Year Results of the National Guard Youth ChalleNGe Evaluation," New York, NY: MDRC

REINTEGRATION OF EX-OFFENDERS

In 2014, the Department will consider several steps to improve the performance of grantees in meeting their performance goals. This may include an increased focus on the use of new technology platforms to deliver technical assistance, including virtual conferences, communities of practice for sharing effective methods for serving ex-offender populations, and an expanded use of social media as a resource for improving retention and follow-up of participants post-exit.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

In 2012, \$80,238,000 was appropriated for Reintegration of Ex-Offenders (RExO). Given the state of the economy and the challenging circumstances that adult and youth ex-offenders face in entering the workforce, the Department focused on providing grant opportunities to communities exhibiting high rates of poverty and crime. With 2012 funds, the Department supported a combination of competitive grant competitions targeted to national and regional intermediaries, state and local, and faith-based and community organizations. These projects focused on reducing recidivism of youth ex-offenders and providing increased opportunities for education and training that were targeted to increase educational degrees (GEDs and high school diplomas) and industry-recognized certifications in high-growth industries. \$20,000,000 will be used for competitive grants to national and regional intermediaries for activities that prepare young ex-offenders and school dropouts for employment, in high-poverty, high-crime communities. The Department coordinated these grant activities with the Office of Juvenile Justice and Delinquency Prevention. An additional \$26,000,000 will be used for a new pilot project, Face Forward, that focuses on at-risk youth and youth offenders by providing opportunities for either diversion programming, designed to prevent adjudication of youth with some criminal involvement, or expungement of existing juvenile records for youth offenders that might reduce future employment prospects.

Due to the difficulties adult offenders have in receiving vocational training and career pathway credentials while seeking employment, as required by probation/parole, the adult-serving portion of RExO targeted efforts in 2012 on serving offenders participating in work release and in halfway houses, in order to provide sufficient time for vocational training that leads to industry-recognized certificates and employment opportunities with growth potential. For adult programs, the Department continued to coordinate grant activities with the Bureau of Justice Assistance (BJA) and the Bureau of Prisons (BOP). Additional efforts connected to both youth and adult ex-offenders included the continuation of programming that targeted youth and adult ex-offenders with characteristics common to female ex-offenders, with a comprehensive case management strategy and a focus on family reunification and trauma counseling.

REINTEGRATION OF EX-OFFENDERS

The Work Opportunity Tax Credit and Federal Bonding program also continued to be used to assist employers with their confidence in hiring ex-offenders. There is ample evidence that employment is the key to reducing recidivism – a 1995 study by the Federal Bureau of Prisons' Office of Research and Evaluation found that a factor significantly related to a lower risk of recidivism was employment at release (Harer, 1995). This research was borne out in the performance outcomes of the adult-serving RExO grants, where the recidivism rate has consistently remained at 14%, well below the national average of 44% at one-year post-release (Bureau of Justice Statistics, 1994), in combination with an entered employment rate of 58% and an employment retention rate of 68% at the end of PY 2011.

To support the success of all grant projects, the Department provided technical assistance to grants and ensured that a key component of grant competitions included resource alignment through improved partnerships with other Federal, state and local agencies. The Department also coordinated efforts with the Chief Evaluation Officer to determine where evaluations would be beneficial in providing evidence-based results to assist in shaping future pilot and demonstration projects.

REINTEGRATION OF EX-OFFENDERS

DETAILED WORKLOAD AND PERFORMANCE							
		PY 2011 Enacted		PY 2012 Revised Enacted		PY 2013 Full Year C.R.	PY 2014 Request
		Target	Result	Target	Result	Target	Target
Reintegration of Ex-Offenders							
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.							
Outcome Goal 1.1 - Increase workers' incomes and narrow wage and income inequality.							
ETA-CH1-ReXO-GPRA-01	Six Month Average Earnings	\$9,456.00	\$8,530.00	\$10,339.00		\$10,572.00	\$10,809.00
Outcome Goal 1.2 - Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including high-growth and emerging industries like "green" jobs.							
GPRA	Placement Rate for Out-of-School Youth	55.50%	25.00%	36.60%		36.80%	37.10%
Outcome Goal 1.3 - Help workers in low-wage jobs or out of the labor market find a path into middle class jobs.							
ETA-CH1-ReXO-GPRA-01	Entered Employment Rate (non-youth)	58.10%	68.55%	58.50%	--	58.90%	59.70%
	Participants	23,355	20,906	18,450	--	20,182	15,040
	Cost Per Participant	\$4,196.00	\$4,084.47	\$4,349.00	--	\$6,000.00	\$6,000.00
ETA-CH1-ReXO-GPRA-02	Employment Retention Rate (non-youth)	64.90%	70.14%	68.10%	--	68.10%	68.10%
ETA-CH1-ReXO-GPRA-04	Recidivism Rate (non-youth)	22.00%	12.00%	22.00%	--	22.00%	22.00%
	Recidivism Rate (youth ages 14-17)	16.00%	34.90%	16.00%	--	16.00%	16.00%
	Recidivism Rate (youth ages 18 and above)	17.00%	33.50%	17.00%	--	17.00%	17.00%

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

REINTEGRATION OF EX-OFFENDERS

Workload and Performance Narrative

The performance measures for the adult-serving RExO program indicate a focus on continuous improvement in outcomes. The RExO-Adult program has demonstrated strong performance since its inception in 2005. Meeting the performance targets for RExO-Adult can be attributed to several key factors. First, the program model is employment-focused, which meets the needs of the majority of participants, who are often required as a mandate of probation or parole to have employment. Employment also is considered one of the factors to reduce recidivism, as described above. Grantees, therefore, must have strong employer partners in place that will hire ex-offenders. These employer partners also are strongly encouraged to take advantage of the Work Opportunity Tax Credit and Federal Bonding program to ensure placement opportunities for ex-offenders. Second, the program model focuses on intensive supportive services, allowing participants to access resources that are necessary to reintegrate into society, such as housing assistance, substance abuse and mental health treatment, legal assistance, access to professional clothing, and even transportation assistance. The grant programs provide vocational and soft skills training and focus on in-demand occupations, which increase opportunities for career progression and higher wages. Mentoring also is a required program component and the use of mentors has been shown to improve employment performance, assist in on-the-job conflict resolution, and provide stability to ex-offenders that leads to employment retention. Many grant programs have industry-recognized certification programs to ensure that participants receive the training necessary to succeed in the current workforce.

Technical assistance is a key component of the RExO-Adult program and grantees have access to a wide array of resources, including in-person and electronic training opportunities, peer-to-peer networking conferences, and webinars that share best practices for serving ex-offenders successfully. Grantees are required to submit quarterly performance, narrative and financial reports through a Web-based management information system that allows for daily review of performance tracking and means that technical assistance can be deployed at the first sign that a grantee is struggling in a certain area. This access to real-time data has been invaluable in supporting grant success and the ongoing improvement of performance outcomes.

The Department utilizes the adult common measures for RExO-Adult programs, which include entered employment, employment retention, and six-month average earnings. RExO-Adult programs are also held to a recidivism performance goal. The Department also has begun tracking credential attainment rates for this target population with the fourth generation of grants, awarded in PY 2011, in order to ensure that this vulnerable population is being provided with the necessary tools to gain employment in career pathways.

The Department has three primary performance measures for youthful ex-offender projects—the recidivism rate of youth ages 17 and below; the recidivism rate of older youth and young adults ages 18 and above; and the rate at which out-of-school youth and young adults ages 18 and above are placed in employment, long-term vocational training, post-secondary education, or the military. In addition, depending on the project, the Department sets additional performance measures, such as improving literacy and numeracy skills of participants, and increasing the rate at which ninth graders are promoted to the tenth grade, and decreasing the rate at which participants drop out of high school. These are all relevant performance measures for youthful

REINTEGRATION OF EX-OFFENDERS

ex-offender projects given the very low academic achievement of this population. Changes from year to year in the placement rate for out-of-school youth ages 18 and above in RExO youthful ex-offender programs primarily reflect differences in the mix of projects being funded. Projects serving young adult participants tend to have higher placement rates than projects serving 18 and 19-year-olds. Variations among grantees in the recidivism rates of participants mainly reflect the extent to which a project is serving high-risk participants. Grantees serving juveniles who have been in correctional facilities have higher recidivism rates than grantees serving primarily juveniles who have been on probation.

In grant announcements, the Department includes the performance measures that will be used to monitor and report progress toward the grantees' goals. After receiving a grant award, each grantee is assigned a Federal Project Officer from the regional office that is responsible for monitoring the progress of the project, with an emphasis on the project's performance measures. Federal Project Officers also conduct site visits to grantees, travel funds permitting, to monitor the grants and provide technical assistance in meeting performance goals. The Department receives quarterly reports from grantees and uses these reports in monitoring their progress. The Department typically conducts periodic conference calls with grantees involving both national and regional office staff, and for some sets of grantees, conducts annual meetings that focus largely on performance.

The Department also provides technical assistance to youthful ex-offender grantees to help them improve their performance. Where appropriate, the Department uses experienced coaches to provide on-site technical assistance to grantees in meeting their performance goals. The Department has provided technical assistance in specific subject areas, such as improving connections to private sector employers, implementing mentoring programs, and developing Career Academies in high schools served by grants.

In 2014, the Department will consider several steps to improve the performance of grantees in meeting their performance goals. The Department will increase the focus on successfully meeting outcomes by adapting a Pay for Success model that reimburses programs for that share of participants that achieve successful outcomes. This initiative would be expected to most positively impact the credential/certificate attainment and placement measures for youth participants. The Department also will continue to focus technical assistance efforts directly on improving outcomes in all areas of performance.

For 2014, ETA estimates that the cost per participant will be \$6,000. This increase in costs represents a focus on more intensive program models that require participants to be active in the program for a longer period of time, as well as the expanded use of grant funds for legal fees related to activities such as record expungement. At this cost per participant, the Department expects to serve 15,040 participants in 2014.

REINTEGRATION OF EX-OFFENDERS

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
25.2	Other services from non-Federal sources	0	0	0	0
41.0	Grants, subsidies, and contributions	80,238	80,729	90,238	10,000
	Total	80,238	80,729	90,238	10,000

REINTEGRATION OF EX-OFFENDERS

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Other services from non-Federal sources	0
Grants, subsidies, and contributions	0

Built-Ins Subtotal **\$0**

Net Program **\$10,000**

Direct FTE **0**

	Estimate	FTE
Base	\$80,238	0
Program Increase	\$10,000	0

EVALUATION

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	9,563	9,622	0	-9,563
FTE	0	0	0	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Introduction

As authorized under Section 172 of the Workforce Investment Act of 1998 (WIA), the Employment and Training Administration (ETA) carries out evaluations related to programs and activities authorized by Title I of WIA. These evaluations support key areas of program and policy emphases, inform workforce investment policies and investment decisions, and can support continuous improvement of the public workforce system. Specifically, Section 172(a)(1) of WIA directs the Secretary to provide for continuing evaluation addressing the general effectiveness of programs and activities that are carried out under WIA Title I, the performance measures related to such programs and activities, the structure and mechanisms for service delivery, the impact of programs and activities on the community and participants, and the extent to which such programs and activities meet the needs of various demographic groups.

Evaluation activities are also developed through ETA's Five-Year Research and Evaluation Strategic Plan and the ETA Learning Agenda, as summarized in the preceding Pilots, Demonstrations, and Research section. The five themes identified in that section are also applicable to ETA's Evaluation activities

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$6,918	0
2010	\$9,600	0
2011	\$9,581	0
2012	\$9,563	0
2013	\$9,622	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Funding Mechanism

Evaluation funds are distributed through contracts and grants to independent research and evaluation firms as authorized under section 172 of the WIA. WIA programs operate on a PY calendar. Therefore funds appropriated in FY 2014 are available from July 1, 2014 through June 30, 2015.

EVALUATION

FY 2014

In 2014, the Department continues the request of using a set-aside funding mechanism to finance evaluations for employment and training programs. The set-aside approach for evaluations is intended to ensure that sufficient funding is available to carry out comprehensive and rigorous research and evaluations and promote greater stability of funding of these efforts across all training and employment programs, including the Training and Employment Services, Office of Job Corps, State Unemployment Insurance and the Employment Service. Specifically, the Department is requesting that up to one percent of the amounts appropriated for these programs are made available to support this effort. Evaluation and applied research activities funded through this set-aside approach will be conducted by ETA in consultation with the (Chief Evaluation Officer) CEO.

ETA will work with the CEO's office to identify potential programs that warrant adaptation and rigorous evaluation. Ongoing funded projects that will be continued in 2014 include:

1. **YouthBuild:** In 2014 the random assignment evaluation of the YouthBuild program, will be in its fourth year of implementation. Initiated in 2010, the evaluation measures the impacts at twelve, thirty and forty-eight months post-random assignment on employment and earnings of individuals offered YouthBuild training compared to individuals who applied for YouthBuild but were turned away. This is the first rigorous impact evaluation of YouthBuild ever conducted. The evaluation is planned for seven years, and the final report is anticipated in late 2017.
2. **WIA Adult and Dislocated Worker Programs Gold Standard Evaluation (WGSE):** Initiated in 2008, the WGSE is a random assignment evaluation of the adult and dislocated worker programs under Title I of WIA. The evaluation measures the post-random assignment impacts on employment and earnings of being offered intensive services and training funded through WIA, as compared to being offered core services only. The evaluation represents a major improvement in the specificity and quality of previous WIA evaluations. The Department anticipates the final report will be available in late 2017.
3. **Serving Young Adult Ex-Offenders Evaluability Assessment and Evaluation:** ETA funded approximately \$30 million in grants for Reintegration of Ex-Offenders Training and Service-Learning grants to serve youth, ages 18-21 involved with the juvenile justice system and never convicted as an adult under Federal or State law. Activities and services provided include training that leads to credentials and service learning projects with meaningful community service. This study will assess the evaluability of this initiative by indentifying the objectives, intended activities to achieve the objectives, criteria for optimal management of the program, and options for a rigorous evaluation.
4. **Evaluation on Technical Assistance (TA):** Understanding the effectiveness of TA and the costs associated with it can inform ETA decision-making and management. In 2013, ETA developed an evaluation approach with several phases, building toward the design and conduct of an impact evaluation of TA. Phase 1 identified options and

EVALUATION

recommendations for subsequent phases of the evaluation. Funds in 2014 will be needed to begin implementation of these recommendations.

5. **Workforce Innovation Fund:** Workforce Innovation Fund (WIF) grantees are conducting third-party evaluations. ETA provides support for these multiple evaluation efforts at the national level through the employment of a National Evaluation Coordinator (NEC). The NEC provides guidance to all third-party evaluation, and collectively synthesizes and analyzes the results from the individual evaluations. A total of \$3 million of 2012 WIF funds were set aside for NEC efforts taking place over a 5-year period. A final report is expected at the end of the initial 5-year period set at the first half of 2017.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

In 2012, \$9,563,000 was appropriated for evaluations. ETA developed its annual Research and Evaluation Spending Plan based on the priorities identified in partnership with the CEO. The PY 2012 Spending Plan includes more than sixteen distinct continuing and new evaluations projects, of which the more notable are as follow:

- **WIA Adult and Dislocated Worker Programs Gold Standard Evaluation (WGSE):** The WGSE is a random assignment evaluation of the adult and dislocated worker programs under Title I of WIA. The evaluation measures the post-random assignment impacts on employment and earnings of being offered intensive services and training funded through WIA, as compared to being offered core services only and/or services funded through other sources. The evaluation is being conducted over the course of seven years and represents a major improvement in the specificity and quality of previous WIA evaluations. ETA anticipates the final report being available in late 2017.
- **YouthBuild:** A random assignment evaluation of the YouthBuild program began in 2010. The evaluation measures the impacts at twelve, thirty and forty-eight months post-random assignment on employment and earnings of individuals offered YouthBuild services compared to individuals who applied for YouthBuild but were turned away. This is the first rigorous impact evaluation of YouthBuild ever conducted. The evaluation is planned for seven years, and the availability of the final report is anticipated in late 2017.
- **Reintegration of Ex-Offenders Initiative:** The Reintegration of Ex-Offenders Initiative (RExO) Impact Evaluation is a rigorous, random assignment evaluation of a

EVALUATION

demonstration serving formerly incarcerated individuals through employment-centered programs. The impact evaluation began in 2008 and examines impacts on participants' post-random assignment labor market outcomes and rates of criminal recidivism by comparing outcomes of a group offered RExO services to the outcomes of randomly assigned individuals who were eligible for but did not receive RExO services. The evaluation will last five years, and ETA anticipates the final report being available in late 2014.

- **Young Parents Demonstration Impact Evaluation and Technical Assistance: Young Parent Demonstration (YPD):** Initiated in PY 2010, these Congressionally-directed demonstration grants are designed to provide educational and occupational skills training that foster family economic self-sufficiency to young parents and expectant parents ages 16-24. A five-year random assignment evaluation tests the YDP mentoring model which includes professional staff and volunteers who mentor the young parents as an added service to the existing services. Mentoring as an intervention is intended to increase an individual's education, job training and employment. The most recent grantees are receiving technical assistance for up to three years. A process evaluation will document and analyze the implementation challenges faced by all of the grantees. The random assignment evaluation will be completed in PY 2016.
- **Serving Young Adult Ex-Offenders Evaluability Assessment and Evaluation:** ETA funded approximately \$30 million in grants for Reintegration of Ex-Offenders Training and Service-Learning to serve youth, ages 18-21 involved with the juvenile justice system and never convicted as an adult under Federal or State law. Activities and services provided include training that leads to credentials and service learning projects with meaningful community service. This study will initially assess the evaluability of this initiative by identifying the objectives, intended activities to achieve the objectives, criteria for optimal management of the program, and options for a rigorous evaluation.
- **Enhanced Transitional Jobs Improvements:** The Enhanced Transitional Jobs Random Assignment Evaluation began in 2011. To fully implement this study, collection of timely grantee performance data and technical assistance were needed to support the project. In 2012, funds were used to complete the reporting system and manage its maintenance, and to address grantee concerns with implementation of the evaluation.
- **Evaluation on Technical Assistance:** Understanding the effectiveness of TA and its costs can better inform ETA decision-making and management. In 2012, ETA developed an evaluation approach with several phases, building toward the design and conduct of an impact evaluation of TA. Phase 1 identified the objectives of TA and defined logic models.

EVALUATION

DETAILED WORKLOAD AND PERFORMANCE						
	PY 2011 Enacted		PY 2012 Revised Enacted		PY 2013 Full Year C.R.	PY 2014 Request
	Target	Result	Target	Result	Target	Target
Pilots, Demonstrations and Research						
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.						
Outcome Goal 1.2 - Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including high-growth and emerging industries like "green" jobs.						
Percentage of evaluation products peer reviewed by an independent panel	Baseline	50%	50%		60%	N/A

EVALUATION

Workload and Performance Narrative

The detailed Workload and Performance Summary table includes a quality measure for evaluations that are peer-reviewed.

EVALUATION

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
25.1	Advisory and assistance services	9,319	9,377	0	0
41.0	Grants, subsidies, and contributions	244	245	0	-9,563
	Total	9,563	9,622	0	-9,563

EVALUATION

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Advisory and assistance services \$0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program -\$9,563

Direct FTE 0

	Estimate	FTE
Base	\$9,953	0
Program Decrease	-\$9,563	0

WORKFORCE DATA QUALITY INITIATIVE

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	6,463	6,503	6,000	-463
FTE	0	0	0	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Introduction

This initiative provides competitive grants to support the development and enhancement of longitudinal data systems that integrate education and workforce data. The grants are provided under the research authority in Section 171 of the Workforce Investment Act of 1998 (Public Law 105-220).

Data linkages can help State and local leaders identify effective pathways through education and training services that lead to success in the workforce, and can provide individuals with information that helps them make smart choices about their education and careers. Longitudinal data systems have information on individuals as they progress through the education system and into the workforce. Some states have developed comprehensive systems that link individuals' demographic information, high school transcripts, college transcripts, and quarterly wage data. These data systems can provide valuable information to consumers, practitioners, policymakers, and researchers about the performance of education and workforce development programs.

The Department of Labor collaborates with the Department of Education, which has provided state grants since 2005 to assist with longitudinal educational data system development. Grants will help states to incorporate workforce information into their longitudinal data systems, as well as undertake activities to improve the quality and accessibility of performance data reported by training providers. Improving information available from training providers is crucial to helping consumers make informed decisions when choosing among training programs.

This project addresses ETA's goal of using advanced technology to provide high quality, multi-layered analysis of the services participants are receiving with a longitudinal perspective.

With these data sets, it is possible to provide more sound analysis and performance results which in turn provides leaders with better decision-making data. The goal of this project is to "Prepare workers for good jobs and ensure fair compensation." This goal is made attainable because the WDQI creates a comprehensive platform which allows multiple data elements to track overall performance.

WORKFORCE DATA QUALITY INITIATIVE

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$0	0
2010	\$12,500	0
2011	\$12,475	0
2012	\$6,463	0
2013	\$6,503	0

NOTE: Amounts represent program year funding, not fiscal year availability.

Funding Mechanism

WIA programs operate on a program year (PY) calendar. Therefore funds appropriated in FY 2014 are available from July 1, 2014 through June 30, 2015. The funds will be awarded to states through a competitive Solicitation for Grant Applications (SGA). States will be selected based on the quality of their applications and how well they meet the criteria set forth in the SGA.

FY 2014

In 2014, \$6,000,000 is requested for the WDQI, a decrease of \$463,000 from 2012. This funding will be used to expand the initiative to up to six states.

The WDQI will coordinate closely with the Workforce Investment Fund to increase the availability of data on training provider performance. It is anticipated that the states will use the grants to accomplish one or more of the following activities, depending on the beginning level of development of each state's longitudinal data system:

- Utilize longitudinal data to provide useful information about program operations and to analyze the performance of education and training programs and support policy decisions.
- Provide user-friendly information to consumers, in the form of scorecards or integrated data platforms, to help them make informed employment, education and training choices.
- Develop or improve longitudinal data systems for workforce data gathered by various agencies within the state linked at the individual-level.
- Improve state performance data through participate in the Wage Record Interchange System Two.
- Match individual-level, longitudinal workforce data to available education data.
- Improve the quality and breadth of the data in workforce longitudinal data systems.
- Minimize or eliminate the need for training provider reporting waivers.

WORKFORCE DATA QUALITY INITIATIVE

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

In 2012, \$6,463,000 was appropriated for the expansion of WDQI. Funding is being used to expand the initiative to up to four additional states and provide up to two current WDQI grantees with additional funding to expand their data reporting and performance capabilities.

It is anticipated that the states will use the grants to accomplish one or more of the following activities, depending on the beginning level of development of each state's longitudinal data system:

- Develop or improve longitudinal data systems for workforce data gathered by various agencies within the state linked at the individual-level.
- Match individual-level, longitudinal workforce data to available education data.
- Improve the quality and breadth of the data in workforce longitudinal data systems.
- Utilize longitudinal data to provide useful information about program operations and to analyze the performance of education and training programs and support policy decisions.
- Provide user-friendly information, in the form of scorecards or integrated data platforms, to consumers to help them make informed employment, education and training choices.

WORKFORCE DATA QUALITY INITIATIVE

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	6,463	6,503	6,000	-463
	Total	6,463	6,503	6,000	-463

WORKFORCE DATA QUALITY INITIATIVE

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Advisory and assistance services \$0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program -\$463

Direct FTE 0

	Estimate	FTE
Base	\$6,463	0
Program Decrease	-\$463	0

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	161,232	125,000	125,000	0
FTE	0	0	0	0

NOTE: H-1B fees - This account is not appropriated.

Introduction

To address the Secretary's goal of preparing workers for good jobs and ensuring fair compensation, the Job Training for Employment in High Growth Industries Grants are designed to provide training for workers according to need in different sectors of the economy. The funding for this program is provided from H-1B fees, which are authorized under Section 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 (P.L. 105-277, Title IV), as amended by P.L. 108-447 (codified at 20 U.S.C. 2916a). The fees are collected from employers when they file applications seeking to hire temporary foreign workers, as needed in occupations that require highly specialized knowledge. These authorized fees are available to the Department without appropriations by Congress and are primarily used to provide job training and related activities for workers to help them obtain or upgrade employment in occupations and industries that employ foreign workers with H-1B visas. The Secretary of Labor has discretion to make decisions regarding the types of grants that will be made with these funds.

Data collected by the Department about employers' applications for visas shows that employers continue to struggle to find workers in the U.S. that have the specialized skills needed for critical occupations in growing sectors including Information Technology, Engineering, Education, and Health Care. Such domestic worker shortages threaten employer competitiveness, as employers lack the critical human capital needed to produce their goods and services. When employers use H-1B visas to fill high skill job openings, American workers lose access to employment opportunities that can help them enter and remain in the middle-class.

The Department's long-term goal is to decrease the need for these visas by helping American workers develop the high level skills needed by these employers. The Department's ongoing dialogue with employers in demand sectors such as information technology, communication and broadband technology, advanced manufacturing, and health care and health information technology has confirmed that there are jobs in the United States that are going unfilled. Furthermore, moving workers up along a career pathway allows new entrants into the workforce who are just beginning their technical careers. The Department intends to support training and education models that directly lead to highly-skilled technical jobs.

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

Funding Mechanism

These funds will be awarded competitively through one or more Solicitations for Grant Applications (SGAs). Eligible applicants for these grants include partnerships of business-related nonprofit organizations, education and training providers, community-based organizations, entities involved in administering the public workforce system, and economic development agencies.

FY 2014

Grants in FY 2014 will be awarded to partnerships of private and public sector entities. These partnerships include entities involved in administering the workforce investment system established under Title I of the Workforce Investment Act of 1998; business-related nonprofit organizations such as trade associations; education and training providers, including community colleges and community-based organizations; and economic development agencies; as well as other partners that reflect the character and resources of the local or regional economy.

To meet the training needs for high-growth industries and economic sectors, the Department will focus on funding projects that: 1) target skills and competencies in demand by industries for which employers are using H-1B visas to hire foreign workers; 2) provide education/training for jobs currently available or job openings that are anticipated during the life of the grant; and 3) result in an employer- or industry-recognized credential. The Department also will encourage grantees to leverage resources to complement grant activities and sustain them once the grants have expired.

The Department will continue to require that employers are directly involved in the implementation of grant activities to ensure that all of the training leads directly to industry-recognized credentials and opportunities for participants to enter high-skill, high-wage jobs. For future grant opportunities, DOL will consult with employers across other major H-1B sectors to better understand the pressing workforce needs that these investments could target.

DOL will use a small portion of the H-1B fee funding to provide technical assistance and an independent evaluation of the outcomes and benefits of the projects.

FY 2013

In FY 2013, DOL will award grants for training and related activities for occupations and industries that are growing in their regions and for which H-1B visas have been awarded. As appropriate, the grants will build off the lessons learned through the Technical Skills Training and Jobs and Innovation Accelerator Challenge grants awarded in FY 2011, which had particular emphasis on On-the-Job Training (OJT) training strategies and regional innovation clusters.

In late 2011, the Jobs and Innovation Accelerator Challenge grants were awarded. These grants were funded by the Department of Labor along with Department of Commerce's Economic Development Administration and the Small Business Administration for a total of \$33 million.

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

The interagency Federal collaboration allowed applicants to submit one application to access three complementary Federal sources to comprehensively support cluster development. Awards ranged from approximately \$1.5 million to \$2.2 million per cluster through the three funding agencies, and matching funds were required for a portion of the funding. The Department made awards that supported the advancement of 20 high-growth regional industry clusters across the country in areas such as advanced manufacturing, information technology, aerospace and clean technology in rural and urban regions.

A new round of ten Jobs Accelerator grants was awarded in FY 2013 and focused on advanced manufacturing regional industry clusters. This effort included federal support from five funding agencies – the Department with a \$5,000,000 investment, the Economic Development Administration (EDA) with \$10,000,000, the National Institute of Standard and Technology (NIST) with \$3,000,000, the Department of Energy (DOE) with \$5,000,000, and the Small Business Administration (SBA) with \$2,000,000. In addition, the National Science Foundation is providing up to \$1M in additional financial support to existing Small Business Innovation Research. The lessons learned from the implementation of these grants will continue to inform future grant-making with a regional cluster approach.

Additionally, building off of the Jobs Accelerator models, the Make it in America Challenge grants are awarded to 1) encourage in-sourcing of productive activity by U.S. firms; 2) foster increased foreign direct investment; 3) encourage U.S. companies to keep their businesses and jobs here at home; and/or, 4) build a highly-skilled and diverse American workforce through targeted training and employment activities. Total funding was \$44,000,000 in Federal support. The Department is making up to \$20,000,000 available for training and training-related employment activities to develop a skilled workforce for the target industry. EDA is making up to \$17,000,000 available through the Economic Adjustment Assistance (EAA) program. NIST is making up to \$6,000,000 available through the Manufacturing Extension Partnership (MEP). The agencies anticipate making up to 15 awards. Additionally, the Delta Regional Authority (DRA) is making up to \$900,000 available for entities located in the geographic area served by DRA.

FY 2012

During FY 2012, the Department awarded \$159 million for the first round of H-1B Technical Skills Training Grants and \$180 million for the second round of for the grants to a total 79 grantees. These grants focused on On-the-Job Training (OJT), targeting long-term unemployed individuals, and ensured that a portion of grants support the Health Care sector. To support the implementation of grants funded by these fees, DOL used a portion of the available funds to provide technical assistance to the grantees, distributing best practices and lessons learned by grantees to other stakeholders, including the workforce system, and evaluate the grants. These efforts will be documented, distributed, and published on the Workforce3One Web site and through conference calls, newsletters and other outreach and publication efforts.

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

DETAILED WORKLOAD AND PERFORMANCE						
	PY 2011 Enacted		PY 2012 Revised Enacted		PY 2013 Full Year C.R.	PY 2014 Request
	Target	Result	Target	Result	Target	Target
Job Training for Employment in High Growth Industries						
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.						
Outcome Goal 1.1 - Increase workers' incomes and narrow wage and income inequality.						
Six Month Average Earnings	--	--	--	--	TBD	TBD
Outcome Goal 1.2 – Assuring skills and knowledge that prepares workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like “green” jobs.						
Total Enrolled in Training	--	--	--	--	TBD	TBD
Total Completed Training	--	--	--	--	TBD	TBD
Total Participants Who Complete Education/Training Activities that Receive a Degree or Other Credential	--	--	--	--	TBD	TBD
Outcome Goal 1.3 – Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.						
Employment Retention Rate	--	--	--	--	TBD	TBD
Total Number of Participants Who Complete Education and Training Activities Who Enter Unsubsidized Employment	--	--	--	--	TBD	TBD

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

DETAILED WORKLOAD AND PERFORMANCE						
	PY 2011 Enacted		PY 2012 Revised Enacted		PY 2013 Full Year C.R.	PY 2014 Request
	Target	Result	Target	Result	Target	Target
Outcome Goal 1.4 – Helping middle-class families remain in the middle class.						
Employment Retention Rate	--	--	--	--	TBD	TBD

NOTE: In February 2013, the Department received Paperwork Reduction Act (PRA) approval to begin collecting data on H-1B funded grants. The data collection system has been under development pending PRA approval, and is expected to be implemented shortly, with data available towards the end of FY 2013 and outcomes in FY 2014.

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

Workload and Performance Narrative

These grants focus on DOL's key system outcomes: 1) improved earnings; 2) keeping unemployed workers in the middle class; 3) increasing employment in emerging industries; and, 4) increasing rates of credential and education attainment. In order to address employers' current workforce needs, DOL will continue to require that grantees work closely with employers to target growth occupations with good wages based on current labor market information. In addition, grantees will be required to be specific about the skills and credentials the training programs will provide to participants. The Department assesses grantee performance by requiring grantees to establish performance targets in key outcome categories, and then assessing grantee performance in achieving these targets. In addition, DOL measures performance for these grants based on three interrelated outcomes: entered employment rate, six months average earnings, and employment retention rate. These common performance measures enable DOL to describe in a similar manner the core purposes and results across grantees and the workforce investment system – how many people obtained a job, how many stayed employed, and their average six months' earnings. H-1B funded grants have a focus on providing training and related activities in high growth industry sectors, but are used in different initiatives that may target varying strategies, types of training, and populations, making it difficult to translate potential performance across initiatives. Therefore, other grant specific metrics and outcomes may be identified based on the nature of the grant.

The Department expects that future targets will take into consideration the design and implementation approach of grant programs developed at the discretion of the Secretary and should reflect any program-specific measures that improve the quality of information available on the performance of such programs.

**JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH
INDUSTRIES**

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	0	0	0	0
41.0	Grants, subsidies, and contributions	161,232	125,000	125,000	0
	Total	161,232	125,000	125,000	0

**JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH
INDUSTRIES**

CHANGES IN FY 2014
(Dollars in Thousands)

Activity Changes		
Built-In		
To Provide For:		
Advisory and assistance services		\$0
Grants, subsidies, and contributions		0
Built-Ins Subtotal		\$0
Net Program		\$0
Direct FTE		0
	Estimate	FTE
Base	\$0	0
Program Decrease	\$0	0