# FY 2015

# CONGRESSIONAL BUDGET JUSTIFICATION

# EMPLOYMENT AND TRAINING ADMINISTRATION

## Program Administration

# PROGRAM ADMINISTRATION

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# PROGRAM ADMINISTRATION

## APPROPRIATION LANGUAGE

For expenses of administering employment and training programs, [$100,577,000] *$104,889,000*, together with not to exceed [$49,982,000] *$50,674,000* which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund. *(Department of Labor Appropriations Act, 2014.)*

# PROGRAM ADMINISTRATION

<table>
<tr><th colspan="7">AMOUNTS AVAILABLE FOR OBLIGATION<br>(Dollars in Thousands)</th></tr>
<tr><th></th><th colspan="2">FY 2013<br>Enacted</th><th colspan="2">FY 2014<br>Enacted</th><th colspan="2">FY 2015<br>Request</th></tr>
<tr><th></th><th>FTE</th><th>Amount</th><th>FTE</th><th>Amount</th><th>FTE</th><th>Amount</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>**A. Appropriation**</td><td>**508**</td><td>**$97,136**</td><td>**496**</td><td>**$100,577**</td><td>**512**</td><td>**$104,889**</td></tr>
<tr><td>Reduction Pursuant to P.L. 113-6 for FY 2013</td><td>0</td><td>-$194</td><td>0</td><td>$0</td><td>0</td><td>$0</td></tr>
<tr><td>Reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985</td><td>-11</td><td>-$4,887</td><td>0</td><td>$0</td><td>0</td><td>$0</td></tr>
<tr><td>*Subtotal Appropriation*</td><td>*497*</td><td>*$92,055*</td><td>*496*</td><td>*$100,577*</td><td>*512*</td><td>*$104,889*</td></tr>
<tr><td>Offsetting Collections From:</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Reimbursements</td><td>4</td><td>$1,830</td><td>8</td><td>$2,343</td><td>13</td><td>$3,122</td></tr>
<tr><td>Trust Funds</td><td>276</td><td>$49,945</td><td>262</td><td>$49,982</td><td>269</td><td>$50,674</td></tr>
<tr><td>Reduction Pursuant to P.L. 113-6 for FY 2013</td><td>0</td><td>-$100</td><td>0</td><td>$0</td><td>0</td><td>$0</td></tr>
<tr><td>Reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985</td><td>-7</td><td>-$2,512</td><td>0</td><td>$0</td><td>0</td><td>$0</td></tr>
<tr><td>*Subtotal Offsetting Collections:*</td><td>*273*</td><td>*$49,163*</td><td>270</td><td>*$52,325*</td><td>282</td><td>*$53,796*</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>**B. Gross Budget Authority**</td><td>**770**</td><td>**$141,218**</td><td>**766**</td><td>**$152,902**</td><td>**794**</td><td>**$158,685**</td></tr>
<tr><td>Offsetting Collections</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Reimbursements</td><td>-4</td><td>-$1,830</td><td>-8</td><td>-$2,343</td><td>-13</td><td>-$3,122</td></tr>
<tr><td>*Subtotal Deduction*</td><td>*-4*</td><td>*-$1,830*</td><td>*-8*</td><td>*-$2,343*</td><td>*-13*</td><td>*-$3,122*</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>**C. Budget Authority Before Committee**</td><td>**766**</td><td>**$139,388**</td><td>**758**</td><td>**$150,559**</td><td>**781**</td><td>**$155,563**</td></tr>
<tr><td>Offsetting Collections From:</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Reimbursements</td><td>4</td><td>$1,707</td><td>8</td><td>$2,343</td><td>13</td><td>$3,122</td></tr>
<tr><td>*Subtotal Offsetting Collections:*</td><td>*4*</td><td>*$1,707*</td><td>*8*</td><td>*$2,343*</td><td>*13*</td><td>*$3,122*</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>**D. Total Budgetary Resources**</td><td>**770**</td><td>**$141,095**</td><td>**766**</td><td>**$152,902**</td><td>**794**</td><td>**$158,685**</td></tr>
<tr><td>Other Unobligated Balances</td><td>0</td><td>$0</td><td>0</td><td>$0</td><td>0</td><td>$0</td></tr>
<tr><td>Unobligated Balance Expiring</td><td>-8</td><td>-$355</td><td>0</td><td>$0</td><td>0</td><td>$0</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>**E. Total, Estimated Obligations**</td><td>**762**</td><td>**$140,740**</td><td>**766**</td><td>**$152,902**</td><td>**794**</td><td>**$158,685**</td></tr>
</table>

# PROGRAM ADMINISTRATION

## SUMMARY OF CHANGES
(Dollars in Thousands)

| | FY 2014 Enacted | FY 2015 Request | Net Change |
|---|---|---|---|
| **Budget Authority** | | | |
| General Funds | $100,577 | $104,889 | +$4,312 |
| Trust Funds | $49,982 | $50,674 | +$692 |
| Total | $150,559 | $155,563 | +$5,004 |
| | | | |
| **Full Time Equivalents** | | | |
| General Funds | 496 | 512 | 16 |
| Trust Funds | 262 | 269 | 7 |
| Total | 758 | 781 | 23 |

| Explanation of Change | FY 2014 Base | | FY 2015 Change | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Trust Funds | | General Funds | | Total | |
| | FTE | Amount | FTE | Amount | FTE | Amount | FTE | Amount |
| **Increases:** | | | | | | | | |
| | | | | | | | | |
| **A. Built-Ins:** | | | | | | | | |
| To Provide For: | | | | | | | | |
| Costs of pay adjustments | 758 | $78,076 | 0 | $456 | 0 | $867 | 0 | $1,323 |
| Funds shifted from NPS - PC  23 FTE | 0 | 0 | 7 | $686 | 16 | $1,617 | 23 | $2,303 |
| Personnel benefits | 0 | $22,631 | 0 | $118 | 0 | $216 | 0 | $334 |
| Funds shifted from NPS - PB  23 FTE | 0 | 0 | 0 | $201 | 0 | $476 | 0 | $677 |
| Federal Employees' Compensation Act (FECA) | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 |
| Travel and transportation of persons | 0 | $1,286 | 0 | $0 | 0 | $0 | 0 | $0 |
| Transportation of things | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 |
| Rental payments to GSA | 0 | $8,934 | 0 | $67 | 0 | $109 | 0 | $176 |
| Rental payments to others | 0 | $5 | 0 | $0 | 0 | $0 | 0 | $0 |
| Communications, utilities, and miscellaneous charges | 0 | $981 | 0 | $0 | 0 | $0 | 0 | $0 |
| Printing and reproduction | 0 | $420 | 0 | $0 | 0 | $0 | 0 | $0 |
| Advisory and assistance services | 0 | $1,916 | 0 | $0 | 0 | $0 | 0 | $0 |
| Other services from non-Federal sources | 0 | $725 | 0 | $0 | 0 | $0 | 0 | $0 |
| Working Capital Fund | 0 | $16,832 | 0 | $105 | 0 | $245 | 0 | $350 |
| Other Federal sources (Census Bureau) | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 |
| Other Federal sources (DHS Charges) | 0 | $548 | 0 | $0 | 0 | $0 | 0 | $0 |
| Other goods and services from Federal sources | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 |
| Research & Development Contracts | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 |
| Operation and maintenance of facilities | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 |

# PROGRAM ADMINISTRATION

| Explanation of Change | FY 2014 Base | | FY 2015 Change | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Trust Funds | | General Funds | | Total | |
| | FTE | Amount | FTE | Amount | FTE | Amount | FTE | Amount |
| Operation and maintenance of equipment | 0 | $12,287 | 0 | $0 | 0 | $0 | 0 | $0 |
| Supplies and materials | 0 | $950 | 0 | $0 | 0 | $0 | 0 | $0 |
| Equipment | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 |
| Insurance claims and indemnities | 0 | $25 | 0 | $0 | 0 | $0 | 0 | $0 |
| **Built-Ins Subtotal** | **758** | **+$145,616** | **7** | **+$1,633** | **16** | **+$3,530** | **23** | **+$5,163** |
| **B. Programs:** | | | | | | | | |
| To provide for Apprenticeship Outreach and Promotion | 0 | $500 | 0 | $0 | 0 | $3,000 | 0 | $3,000 |
| **Programs Subtotal** | | | **0** | **$0** | **0** | **+$3,000** | **0** | **+$3,000** |
| **Total Increase** | **758** | **+$145,616** | **7** | **+$1,633** | **16** | **+$6,530** | **23** | **+$8,163** |
| **Decreases:** | | | | | | | | |
| **A. Built-Ins:** | | | | | | | | |
| To Provide For: | | | | | | | | |
| Benefits for former personnel (FECA) | 0 | $681 | 0 | -$54 | 0 | -$125 | 0 | -$179 |
| Other goods and services from Federal sources | 0 | $1,254 | 0 | $0 | 0 | -$500 | 0 | -$500 |
| Operation and maintenance of facilities | 0 | $418 | 0 | $0 | 0 | -$350 | 0 | -$350 |
| Equipment | 0 | $2,590 | 0 | -$887 | 0 | -$1,243 | 0 | -$2,130 |
| **Built-Ins Subtotal** | **0** | **+$4,943** | **0** | **-$941** | **0** | **-$2,218** | **0** | **-$3,159** |
| **B. Programs:** | | | | | | | | |
| **Programs Subtotal** | | | **0** | **$0** | **0** | **$0** | **0** | **$0** |
| **Total Decrease** | **0** | **+$4,943** | **0** | **-$941** | **0** | **-$2,218** | **0** | **-$3,159** |
| **Total Change** | **758** | **+$150,559** | **7** | **+$692** | **16** | **+$4,312** | **23** | **+$5,004** |

# PROGRAM ADMINISTRATION

| | SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | (Dollars in Thousands) | | | | | | | |
| | FY 2013 Enacted | | FY 2014 Enacted | | FY 2015 Request | | Diff. FY15 Request / FY14 Enacted | |
| | FTE | Amount | FTE | Amount | FTE | Amount | FTE | Amount |
| **Training and Employment** | **327** | **63,928** | **327** | **68,713** | **338** | **69,580** | **11** | **867** |
| General Funds | 285 | 55,854 | 285 | 60,074 | 296 | 60,853 | 11 | 779 |
| Unemployment Trust Funds | 42 | 8,074 | 42 | 8,639 | 42 | 8,727 | 0 | 88 |
| | | | | | | | | |
| **Workforce Security** | **228** | **40,579** | **228** | **42,733** | **235** | **43,357** | **7** | **624** |
| General Funds | 19 | 3,294 | 19 | 3,469 | 19 | 3,512 | 0 | 43 |
| Unemployment Trust Funds | 209 | 37,285 | 209 | 39,264 | 216 | 39,845 | 7 | 581 |
| | | | | | | | | |
| **Apprenticeship** | **156** | **26,228** | **156** | **30,000** | **160** | **33,384** | **4** | **3,384** |
| General Funds | 156 | 26,228 | 156 | 30,000 | 160 | 33,384 | 4 | 3,384 |
| | | | | | | | | |
| **Executive Direction** | **47** | **8,653** | **47** | **9,113** | **48** | **9,242** | **1** | **129** |
| General Funds | 36 | 6,679 | 36 | 7,034 | 37 | 7,140 | 1 | 106 |
| Unemployment Trust Funds | 11 | 1,974 | 11 | 2,079 | 11 | 2,102 | 0 | 23 |
| | | | | | | | | |
| **Total** | **758** | **139,388** | **758** | **150,559** | **781** | **155,563** | **23** | **5,004** |
| **General Funds** | **496** | **92,055** | **496** | **100,577** | **512** | **104,889** | **16** | **4,312** |
| **Unemployment Trust Funds** | **262** | **47,333** | **262** | **49,982** | **269** | **50,674** | **7** | **692** |

NOTE: FY 2013 reflects actual FTE.

# PROGRAM ADMINISTRATION

## BUDGET AUTHORITY BY OBJECT CLASS
(Dollars in Thousands)

| | | FY 2013 Enacted | FY 2014 Enacted | FY 2015 Request | Diff. FY15 Request / FY14 Enacted |
|---|---|---|---|---|---|
| | Full-Time Equivalent | | | | |
| | Full-time Permanent | 766 | 758 | 781 | 23 |
| | Reimbursable | 4 | 8 | 13 | 5 |
| | Total | 770 | 766 | 794 | 28 |
| | Average ES Salary | $164,300 | $161,435 | $163,050 | $1,615 |
| | Average GM/GS Grade | 13 | 13 | 13 | 0 |
| | Average GM/GS Salary | $101,750 | $102,800 | $103,850 | $1,050 |
| | Average Salary of Ungraded Positions | 0 | 0 | 0 | 0 |
| | | | | | |
| 11.1 | Full-time permanent | 73,761 | 76,279 | 79,857 | 3,578 |
| 11.3 | Other than full-time permanent | 825 | 763 | 771 | 8 |
| 11.5 | Other personnel compensation | 50 | 1,034 | 1,074 | 40 |
| 11.8 | Special personal services payments | 0 | 0 | 0 | 0 |
| 11.9 | Total personnel compensation | 74,636 | 78,076 | 81,702 | 3,626 |
| 12.1 | Civilian personnel benefits | 22,360 | 22,631 | 23,642 | 1,011 |
| 13.0 | Benefits for former personnel | 12 | 681 | 502 | -179 |
| 21.0 | Travel and transportation of persons | 1,297 | 1,286 | 1,286 | 0 |
| 22.0 | Transportation of things | 0 | 0 | 0 | 0 |
| 23.1 | Rental payments to GSA | 8,891 | 8,934 | 9,110 | 176 |
| 23.2 | Rental payments to others | 5 | 5 | 5 | 0 |
| 23.3 | Communications, utilities, and miscellaneous charges | 984 | 981 | 981 | 0 |
| 24.0 | Printing and reproduction | 420 | 420 | 420 | 0 |
| 25.1 | Advisory and assistance services | 987 | 1,916 | 1,916 | 0 |
| 25.2 | Other services from non-Federal sources | 43 | 725 | 3,725 | 3,000 |
| 25.3 | Other goods and services from Federal sources 1/ | 17,683 | 18,634 | 18,484 | -150 |
| 25.4 | Operation and maintenance of facilities | 20 | 418 | 68 | -350 |
| 25.5 | Research and development contracts | 0 | 0 | 0 | 0 |
| 25.7 | Operation and maintenance of equipment | 9,881 | 12,287 | 12,287 | 0 |
| 26.0 | Supplies and materials | 684 | 950 | 950 | 0 |
| 31.0 | Equipment | 1,460 | 2,590 | 460 | -2,130 |
| 42.0 | Insurance claims and indemnities | 25 | 25 | 25 | 0 |
| | **Total** | **139,388** | **150,559** | **155,563** | **5,004** |
| | | | | | |
| | 1/Other goods and services from Federal sources | | | | |
| | Working Capital Fund | 17,108 | 16,832 | 17,182 | 350 |
| | DHS Services | 575 | 548 | 548 | 0 |

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# PROGRAM ADMINISTRATION

| | Budget Estimates to Congress | House Allowance | Senate Allowance | Appropriations | FTE |
|---|---|---|---|---|---|
| **APPROPRIATION HISTORY** (Dollars in Thousands) | | | | | |
| 2005 | | | | | |
| Base Appropriation...1/ | $181,018 | $168,854 | $177,615 | $170,101 | 1,209 |
| 2006 | | | | | |
| Base Appropriation...2/ | $206,111 | $206,111 | $206,111 | $169,421 | 1,008 |
| 2007 | | | | | |
| Base Appropriation | $211,554 | $199,708 | $199,708 | $171,130 | 988 |
| 2008 | | | | | |
| Base Appropriation...3/4/ | $216,162 | $170,500 | $185,505 | $172,323 | 932 |
| 2009 | | | | | |
| Base Appropriation...5/ | $144,012 | $0 | $131,153 | $130,463 | 840 |
| 2010 | | | | | |
| Base Appropriation | $147,906 | $146,406 | $148,906 | $147,656 | 996 |
| 2011 | | | | | |
| Base Appropriation...6/ | $162,042 | $0 | $0 | $240,710 | 778 |
| 2012 | | | | | |
| Base Appropriation...7/ | $159,882 | $0 | $0 | $147,081 | 788 |
| 2013 | | | | | |
| Base Appropriation...8/ | $147,611 | $0 | $0 | $139,388 | 766 |
| 2014 | | | | | |
| Base Appropriation | $149,617 | $0 | $0 | $150,559 | 766 |
| 2015 | | | | | |
| Base Appropriation | $155,563 | $0 | $0 | $0 | 794 |

1/ Reflects a reduction of $910, pursuant to P.L. 108-447.
2/ Reflects a reduction of $2,000,000, pursuant to P.L. 109-148. Also does not reflect the transfer of Job Corps' administrative resources ($28,578,000 and 188 FTE) to Departmental Management Account.
3/ Reflects a 1.747% rescission.
4/ Includes Foreign Labor Certification ($ 41,487).
5/ FTE numbers are ceilings.
6/ Reflects a 0.2% across-the-board rescission pursuant to P.L. 112-10.
7/ Reflects a 0.189% across-the-board rescission pursuant to P.L. 112-74.
8/Reflects a 0.2% across the board rescission pursuant to P.L. 113-6 and the sequestration reduction pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985.

# PROGRAM ADMINISTRATION

## Overview

The Program Administration (PA) appropriation provides for the Federal administration of most Employment and Training Administration (ETA) programs.  The FY 2015 request for Program Administration is $155,563,000 and 781 FTE.  This is an increase of $5,004,000 and 23 FTE over the FY 2014 enacted level.  Included in the FY 2015 request is an increase of $3,000,000 for Apprenticeship outreach and promotion.

Federal staff play a crucial role in ensuring that the Department of Labor (Department) provides effective stewardship of appropriated funds and achieves the desired outcomes in support of its strategic goals and the priority performance measures.  ETA is charged with overseeing the workforce system through the administration of approximately $10 billion in various appropriated grant funds distributed via formula or competition.  To promote and provide opportunity for all Americans, ETA staff use a variety of tools to support the workforce system's delivery of optimal services and results for participants and employers.  This includes: developing program policies; managing and overseeing grants and contracts; and providing technical assistance to the public workforce system, including formula and discretionary grantees.  ETA staff also provide indirect support for the administration of the agency and its programs, including financial, procurement, human resources, administrative services, and IT support.

Most ETA-funded programs are administered through a joint Federal-state arrangement, although some are managed directly by ETA.  The standard formula and competitive grants are aimed at ensuring Americans obtain the necessary skills and training to succeed in a knowledge-based economy and find paths to middle-class jobs, and that employers are able to access a qualified workforce.  As indicated in the Office of Inspector General's report #18-013-03-390, (9/30/10), Federal staff provide critical oversight, monitoring, and technical assistance to mitigate any potential risks of fraud and abuse in Federal investments.  Many of ETA's FTE directly impact the ability of ETA to provide effective grant management and oversight of Federal investments, mitigate risk of fraud and abuse, and decrease disallowed costs that divert scarce resources needed to accomplish outcome goals.

The appropriation finances staff for leadership, policy direction, provision of technical assistance to grantees, funds management, and administration of the following programs authorized by the Workforce Investment Act of 1998, as amended (WIA):

- Adult;
- Dislocated Worker;
- Youth;
- Workforce Information;
- National Activities;
- YouthBuild;
- Indian and Native American Program; and
- Migrant and Seasonal Farmworker Program.

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The PA account also finances staff to carry out similar responsibilities for Unemployment Insurance (UI), the Wagner-Peyser Employment Service, Work Opportunity Tax Credits (WOTC), the Trade Adjustment Assistance (TAA) program, and the Office of Apprenticeship (OA).

ETA has identified several priority activities for 2015, including enhancing the competitiveness of workers, increasing credential attainment and facilitating reemployment, and implementing industry-driven and job-driven workforce solutions.  Maintaining the ETA workforce at the current level will enable ETA to provide the oversight and technical assistance necessary for its programs to support these high-priority activities.  ETA staff also will continue to focus on helping program operators increase the number of adults who complete training and acquire an industry-recognized credential.  Federal staff will work closely with grantees to promote improved program outcomes; document innovation and evidence-based practices and disseminate them; document systemic and operational challenges and suggested improvements; develop resources and deliver training on Federal policies and priorities; and provide support in the field.  In addition, ETA will continue to invest in information technology systems to ensure that the critical work of accounting for funds and evaluating performance is not interrupted.

Federal staff in ETA will play a key role in supporting the development of new initiatives related to proposals for Sector Strategies, New Career Pathways program, as well as the Job-Driven Training for Youth and Long-Term Unemployed initiative that includes the Bridge to Work program, Summer Jobs Plus program, and Back to Work Partnerships.  ETA staff will also play a large role in supporting the Community College Job-Driven Training Fund proposed as part of the Opportunity, Growth, and Security Initiative.  This fund includes $500 million for apprenticeship, supporting a doubling of apprenticeships in the U.S. over the next five years.

ETA staff will continue to provide the Congress with requested information, including policy options, clarifications of current practices, examples of state and local implementation of current law, and legislative specifications to work toward WIA reauthorization and other legislative initiatives.

ETA, in partnership with states, will continue to maintain a viable and strong safety net that provides timely and accurate temporary income support to eligible workers, with greater emphasis on reducing risk for improper payments.  It maintains its focus on improving the integrity of the UI system, working with states to improve their prevention, detection, and recovery of improper payments, and strengthening performance overall.  This requires the provision of ongoing technical assistance from Federal staff through monitoring activities, state plan reviews, webinars, and other technical assistance and published guidance.

As ETA continues to address the growing challenge of equipping Americans with the skills and tools to obtain better jobs and build their careers, it will focus on the expansion and enhancement of Registered Apprenticeship programs.  In FY 2015, ETA's Office of Apprenticeship (OA) will build on its Registered Apprenticeship at Community Colleges effort to ensure that college credit is recognized, awarded and transferrable when earned in conjunction with a Registered Apprenticeship program.  OA also will continue to build upon VOW to Hire Heroes Act efforts, coordinating with military service branches on the U.S. Military Apprentice Program and the

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Transition Assistance Program to successfully connect transitioning service members and other veterans to civilian career paths.

Federal staff within ETA administer approximately 2,000 active grants. The risk to the Federal government is minimized by staff providing effective grant management and oversight of grant implementation throughout the period of performance, including conducting compliance monitoring. Funds provided under an ETA grant must be expended in accordance with all applicable federal statutes, regulations and policies. Federal staff monitor grants to ensure compliance with federal statute and regulations and assess performance progress through initial risk assessments, quarterly desk reviews, enhanced desk monitoring and onsite reviews. Quarterly desk reviews include the review of grantees' financial and performance reports. This monitoring consists of both onsite and Enhanced Desk Monitoring Review (EDMR) processes. Onsite monitoring is the most comprehensive way for federal staff to verify grantee activities. The EDMR process is conducted at the FPO's desk, based on submitted documents and reports. Collectively these monitoring techniques are prioritized based on the grants' risk level determined quarterly by FPOs and documented in the Grants eManagement System (GEMS).

ETA staff provide technical assistance (TA) to grantees (formula and discretionary) for the long-term purpose of maximizing positive outcomes for workforce system customers. TA services may be provided proactively to improve systems or as an intervention to remediate specific program issues that may address a wide-ranging number of program management topics, including compliance and program improvement. ETA delivers TA for several purposes:

- Inform and educate workforce system service providers about new policies, changes in regulations, promising practices, and evidence-based interventions;
- Ensure compliance with grant and financial requirements to increase consistency in program management and reduce audit and corrective action findings;
- Ensure fidelity to a model being tested or encouraged;
- Engage system and services providers in efforts to improve program services; and
- Promote state and grantee adoption of innovative and evidence-based strategies.

TA is delivered to multiple levels of the workforce system by multiple actors, including ETA, State Workforce Agencies and Workforce Investment Boards, professional associations, and others. TA is delivered in multiple modes, including in person visits by Federal or contract staff, in-person or virtual all-grantee institutes, group coaching, the Unemployment Insurance Integrity Center of Excellence approach used for peer-to-peer knowledge sharing and deliver of technical assistance, Individual Over-the-Phone Coaching (by Feds, experts, peers), Teleconferences (presentations, Q&A sessions, topical discussions), online chats, audio-visual formats (webinars , 30-second trainings, podcasts,), and printed material (newsletters, fact sheets, how-guides, some TEGLs and TENs).

TA is delivered based on an identified need. Federal Project Officers identify needs of specific grantees. Program Offices and Regional Offices jointly identify cross-state and cross-program

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TA needs.  All ETA staff identify TA needs through conversations with grantees individually and as a cohort, monitoring and desk reviews, grant plan reviews, reviews of performance data, and trends in questions from grantees.  ETA also creates and delivers TA to provide grantees assistance with implementing agency priorities such as career pathways or addressing emergent topics.

The work performed by ETA staff has a direct impact on the Department's Strategic Goal 1:  Prepare workers for better jobs.  The following strategic objectives are encompassed within these programs:

    1.1    Advance employment opportunities for US workers in 21$^{st}$ century demand sectors and occupations using proven training models through increased employer engagements and partnerships.

    1.2    Provide marketable skills and knowledge to increase workers' incomes and help them overcome barriers to the middle class through partnerships among business, education, labor, community organizations and the workforce system.

ETA supports these goals by increasing skill attainment, certification and work preparedness of individuals served through a range of programs to prepare them to compete in a knowledge-based economy featuring emerging and growing industry sectors.

## Program Staff Support and Staff Charging

ETA's PA funds are used to finance ETA mission-support activities for  grant, contract, human resource, financial, and administrative management.  The offices in which these functions reside provide critical support for the programmatic functions of ETA.  ETA's mission-support offices provide critical business functions which enable ETA to operate.  Without these business functions, the ability of ETA to perform the most basic of operations would be constrained.

To improve the efficiency of agency operations, ETA will utilize flexibility in how FTEs are assigned work across a variety of programs.  Instead of FTEs being siloed into specific programmatic or support functions within the agency, ETA will create positions that include work across positions – utility players.  By creating FTE functional flexibility, ETA will maintain the core integrity of PA activities within the individual programs and can adapt to fluctuating and cyclical workload increases across its programs.  This flexibility allows ETA to better utilize the strengths of its talent base.

# PROGRAM ADMINISTRATION

| DETAILED WORKLOAD AND PERFORMANCE | | | | | |
|---|---|---|---|---|---|
| | | FY 2013 Enacted | | FY 2014 Enacted | FY 2015 Request |
| | | Target | Result | Target | Target |
| **OGM/Grants Management** | | | | | |
| **Strategic Goal 1 - Prepare workers for better jobs** | | | | | |
| **Strategic Objective 1.1 - Advance employment opportunities for US workers in 21st century demand sectors and occupations using proven training models and through increased employer engagement and partnerships** | | | | | |
| ETA-ORM-01 | Percent of Active Grant Projects that Receive a Desk Review Quarterly | 95.00% | 98.72% | 95.00% | 95.00% |
| ETA-ORM-02 | Percent of Initial Risk Assessments conducted for new grants managed by Regional Offices within 45 days of award | 95.00% | 98.34% | 95.00% | 95.00% |
| ETA-ORM-03 | Percent of Formal Grant Monitoring Reports Issued on Grants Reviewed by Regional Offices (onsite and EDMR)* | 18.00% | 32.48% | 26.00% | 26.00% |
| ETA-OGM-01 | Percent of Competitive Discretionary Grant Funds Awarded Each Quarter | 100% | 90% | 100% | 100% |
| ETA-OGM-02 | Percent Grants Closeouts Completed that Met the 12 Month Standard | 82.0%[r] | 97.5% | 85.0% | 90.0% |
| ETA-OCM-02 | Percent of Non-Job Corps Contracts Awarded within 180 Days of the Request for Proposal Closing | 80% | 80% | 85% | 85% |

# PROGRAM ADMINISTRATION

| DETAILED WORKLOAD AND PERFORMANCE | | | | |
|---|---|---|---|---|
| | FY 2013 Enacted | | FY 2014 Enacted | FY 2015 Request |
| | **Target** | **Result** | **Target** | **Target** |
| ETA-OCM-06  Percent of CPARS Conducted for Eligible Contracts by the end of the Rating Period | 70% | 70% | 70% | 85% |

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

# TRAINING AND EMPLOYMENT

| BUDGET AUTHORITY BEFORE THE COMMITTEE | | | | |
|---|---|---|---|---|
| (Dollars in Thousands) | | | | |
| | FY 2013 Enacted | FY 2014 Enacted | FY 2015 Request | Diff. FY15 Request / FY14 Enacted |
| **Activity Appropriation** | **63,928** | **68,713** | **69,580** | **867** |
| FTE | 327 | 327 | 338 | 11 |

NOTE: FY 2013 reflects actual FTE. Authorized FTE for FY 2013 was 334.

## Introduction

This budget activity provides for the Federal administration of Training and Employment programs which include:  Workforce Investment Act (WIA) Adult, Youth and Dislocated Worker employment and training activities; WIA national activities; the Indian and Native American program; the Migrant and Seasonal Farmworker program; the Workforce Innovation Fund; the YouthBuild program; the Reintegration of Ex-Offenders program; the Community Service Employment for Older Americans program; the Trade Adjustment Assistance program; and indirect staff support.

ETA staff are responsible for guiding and overseeing an integrated national workforce investment system.  The system supports economic growth and provides workers with the information, career counseling, job search assistance, supportive services, and training in demand industries and occupations needed to get and keep better jobs with benefits.  Federal staff promote the development and implementation of innovative workforce development models, electronic tools, workforce education strategies, and integrated workforce solutions.  In support of those efforts, staff also provide technical assistance to state and local workforce investment system partners.

Federal staff are not engaged in the direct provision of program services; rather, they use a variety of tools to leverage multiple aspects of the workforce system and encourage optimal results for participants.  Indirect support also is allocated to provide for financial, procurement, human resources, and administrative services, as well as IT support.  ETA staff directly manage the Federal relationship with grantees and protect taxpayers' investment in employment and training programs by monitoring grantees for programmatic compliance and providing technical assistance to help grantees achieve their outcome goals.

Federal staff works in the national and six regional offices.  ETA has numerous Federal Project Officers (FPOs) who are trained to oversee the use of government resources.  These FPOs provide oversight of grant implementation throughout the period of performance, including conducting compliance monitoring, and ensuring that grantees are operating under the law as well as under the guidance of their Statements of Work.

In addition to grant oversight and monitoring, FPOs and program office Federal staff provide technical assistance and policy development for the grantees and workforce system.  The combination of grant oversight, support, and direction that staff provides to grantees contributes

to the more efficient operation of the workforce system and helps to ensure better service delivery to customers to improve their chances of obtaining and retaining employment and earning good wages.

## WIA Adult Employment and Training Activities

WIA Adult Employment and Training activities provide core services, intensive services, and training and supportive services for individuals seeking employment. Federal staff negotiates and administer grants, prepares program guidance, monitors program implementation, oversees the reporting system, tracks grantee performance, provides technical assistance to grantees, and oversees distribution of program resources. Staff also develop and operate web tools that provide job, career, and workforce services information to workers, job seekers, and employers.

## WIA Youth Activities

The WIA Youth program provides grants to states and local areas to operate an array of services to assist economically disadvantaged youth, particularly youth disconnected from school and work, and youth aging out of foster care in achieving academic and work skills. Federal staff administers and negotiates grants, prepares program guidance, monitors program implementation, oversees the reporting system, tracks grantee performance, provides technical assistance to grantees, disseminates best practices and strategies for continuous improvement, and oversees distribution of program resources. Staff also coordinates Federal activities that serve youth with Federal agency partners.

## WIA Dislocated Worker Employment and Training Activities

WIA Dislocated Worker Employment and Training activities provide core services, intensive services, training and supportive services for workers who lose their jobs in mass layoffs or plant closings, and others who have been laid off and are unlikely to return to their jobs. This program includes efforts to coordinate and integrate the dislocated worker assistance programs responding to layoffs associated with defense, clean air, and disasters, with the on-going management of multi-year projects responding to plant closures and mass layoffs. Federal staff negotiates and administers grants, prepares program guidance, monitors program implementation, oversees the reporting system, tracks grantee performance, provides technical assistance to grantees, and oversees distribution of program resources.

## Indian and Native American Programs

Federal staff who administer the Indian and Native American Programs conduct a variety of activities including: administering and negotiating grants, preparing program guidance, monitoring program implementation, overseeing the reporting system, tracking grantee performance versus program measures, providing technical assistance for grantees, reviewing grant plans, overseeing the distribution of program resources, and other activities to support the program.

# TRAINING AND EMPLOYMENT

Migrant and Seasonal Farmworker Program

The Migrant and Seasonal Farmworker program provides training and employment services to economically disadvantaged persons who are primarily dependent on agricultural labor employment for their livelihood.  The Federal staff assigned to this program conducts grants management and provides guidance and oversight to the integration initiatives required to serve farmworkers effectively through the American Job Center network.

Workforce Innovation Fund

The Workforce Innovation Fund (WIF) supports innovative approaches to the design and delivery of employment and training services that generate long-term improvements and systems reforms in the performance of the public workforce system, both in terms of outcomes for job seeker and employer customers and cost-effectiveness.  The WIF is one of several Federal grant programs in which grantor agencies fund projects that seek to use evidence to design program strategies.  All WIF projects include independent third-party evaluations.  The Federal staff which oversees the WIF program writes grant solicitations, administers grants, prepares program guidance, monitors program implementation, defines technical assistance priorities, provides technical assistance to grantees, oversees the reporting system, tracks grantee performance and oversees distribution of program resources.

YouthBuild Program

The YouthBuild program provides grants for job training and educational opportunities for at-risk youth who help construct or rehabilitate housing for low-income or homeless families and individuals in their communities.  Participants in YouthBuild receive a combination of classroom and job skills development and on-site training in a construction trade.  The Federal staff which oversees the YouthBuild program writes grant solicitations, negotiates and administers grants, prepares program guidance, sets policy direction, monitors program implementation, oversees the reporting system, tracks grantee performance, provides technical assistance to grantees, and oversees distribution of program resources.

Reintegration of Ex-Offenders

The Reintegration of Ex-Offenders (RExO) program helps adult and youth 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.  Federal staff lead the policy and procurement development process for all RExO-funded activities, including researching program models and developing SGAs, developing and providing grantee monitoring and technical assistance and program and performance reporting across all of the grants.

Community Service Employment for Older Americans Program

The Community Service Employment for Older Americans supports employment of older workers by providing part-time, paid community service positions and work-based training for

unemployed, low-income individuals, age 55 and older.  Federal staff who administer this program conduct a variety of activities including:  negotiating and administering grants, preparing program guidance, monitoring program implementation, overseeing the reporting system, tracking grantee performance versus program measures, providing technical assistance to grantees, reviewing State Senior Employment Coordination Plans, overseeing the distribution of program resources, and other activities to support the program.  In addition, staff acts as a resource on a broad range of issues impacting older workers, including outreach efforts to employers.

Trade Adjustment Assistance

Under the TAA program, workers determined eligible for TAA services and benefits may receive training, trade readjustment allowances, job search, relocation allowances, and employment and case management services to certain workers displaced by international trade through grants provided to State Workforce Agencies responsible for administering the TAA program.  In addition, individuals certified under the Alternative Trade Adjustment Assistance Program for older workers receive a wage subsidy.  These services and benefits are funded out of the Federal Unemployment Benefits and Allowances account.  Federal staff who administers TAA conducts worker group eligibility determinations for workers laid off as a result of foreign trade.  The primary responsibilities of Federal investigators and program development staff are petition investigations, program policy and guidance, and grant awards.

## Five-Year Budget Activity History

| Fiscal Year | Funding | FTE |
|:---:|:---:|:---:|
| | (Dollars in Thousands) | |
| 2010 | $67,720 | 333 |
| 2011 | $67,584 | 333 |
| 2012 | $67,455 | 340 |
| 2013 | $63,928 | 334 |
| 2014 | $68,713 | 327 |

## FY 2015

The FY 2015 request for Training and Employment activities is $69,580,000 and 338 FTE.  In addition to awarding and managing the annually funded grants, ETA staff will design, implement and award grants for new initiatives proposed for FY 2015:

- The New Career Pathways program that will establish a universal core set of services in which the focus is helping all displaced workers, regardless of their reason for losing their jobs, find new jobs.

- The Community College Job-Driven Training Fund to help build new partnerships between community colleges and other public or non-profit training entities with industry and employers to reform curricula and launch new training programs that deliver skills

for in-demand jobs.  Included in the Community College Job-Driven Training Fund is an Apprenticeship Training Fund, which will support the goal of doubling the number of Registered Apprenticeships across the country in the next five years.

- Back to Work Partnerships will provide competitive grants to workforce intermediaries to establish new or broaden existing partnerships with business and provide long-term unemployed individuals with work-based experiences that lead to employment.

- Summer Jobs Plus will support subsidized summer and year-round employment opportunities for low-income youth as well as to provide competitive grants to support promising and innovative employment and training strategies designed to improve outcomes for low-income youth.

- A Disconnected Youth Initiative within the Workforce Innovation Fund to support projects that focus on innovative programs to improve services and outcomes for disconnected youth.

- Competitive grants to states and regions to support the development and implementation of sector strategies.  Sector strategies are partnerships of businesses within an industry that bring together government, workforce development, education, economic development, labor, and community organizations to focus on the needs of an industry within a region.

- Incentive Grants, which will be awarded to eligible states and tribal entities based on the extent to which they improve the levels of performance achieved for targeted populations that face significant barriers to employment from the preceding program year or years.

In FY 2015, ETA staff will continue to be responsible for guiding and overseeing  an integrated national workforce investment system and promoting the development and implementation of innovative workforce development models, electronic tools, workforce education strategies, and integrated workforce solutions.  ETA staff will also design, implement and award additional grants to train workers for in-demand occupations and industries for which employers are using H-1B visas to hire foreign workers.

## FY 2014

$68,713,000 and 327 FTE were appropriated for Training and Employment activities for FY 2014.  ETA staff will continue their responsibility for guiding and overseeing an integrated national workforce investment system

In addition to administering ETA programs, staff will continue to provide Congress with requested information, including policy options, clarifications of current practices, examples of state implementation of current law, and legislative specifications to continue WIA reauthorization efforts.  Maintaining adequate staff levels ensures sufficient resources to support activities on major workforce legislation, leads to higher quality guidance that directly addresses the needs of American workers, and provides the Department, states, and localities the

information they need to successful implement workforce strategies that lead to increased employment, retention, and earnings.

In FY 2014, the ETA staff will award approximately $100,000,000 in H-1B revenues to fund 25 to 40 Youth CareerConnect grants.  This program is designed to encourage America's school districts, institutions of higher education, the workforce investment system, and their partners to scale up evidence-based high school models that will transform the high school experience for America's youth.

Also in FY 2014, staff will award approximately $150,000,000 in revenues from the H-1B revenues for Ready To Work Partnership grants to support high performing partnerships between employers, non-profit organizations and America's public workforce system that will help provide long-term unemployed individuals with the range of services, training, and access they need to fill middle and high-skill jobs.

ETA remains committed to support all organizations interested in applying for grants.  First-time awardees often require additional support to comply with financial and program reporting requirements.  Several recent grants encourage partnerships or support emerging strategies such as Youth CareerConnect and Ready to Work.  These strategies are more complex and require additional staff attention, technical assistance to help grantees with financial reporting, performance reporting, grant management and technical support associated with promoting best practices for increasing credential attainment[1].

In addition, ETA staff will work closely on the Administration's program-by-program review of employment and training programs, as laid out in a Presidential Memorandum dated January 30, 2014.

## FY 2013

$63,928,000 and 327 FTE were appropriated for Training and Employment activities in FY 2013.  Staff members for workforce programs that provide grants to States and non-profit organizations perform similar functions.  Specifically, they:
- Design funding programs
- Negotiate and administer grants
- Prepare program guidance
- Monitor program implementation
- Oversee the reporting system
- Track grantee performance
- Design and deliver technical assistance for grantees
- Manage distribution of program resources
- Coordinate Federal activities that serve adult workers

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[1]As noted in a recent OIG Report: Recovery Act: Employment and Training Administration Grant Issuance and Monitoring Policies and Procedures for Discretionary Grants Including Green Jobs are Comprehensive but Funding Challenges Threaten the Quality of Future Monitoring Activities Report No. 18-10-013-03-390 (September 30, 2010).

# TRAINING AND EMPLOYMENT

Grant management activities directly support the Department's outcome goals by facilitating grantee performance to improve outcomes for program participants. The standard formula and competitive grants, in addition to the TAA Community College grants, are all aimed at ensuring Americans obtain the necessary skills and training to succeed in a knowledge-based economy and find paths to middle-class jobs. In FY 2013, ETA staff continued to focus on increasing the number of participants who complete training and acquire an industry-recognized credential.

In FY 2013, ETA staff competitively awarded 57 grants totaling $474.5 million for the TAA Community College and Career Training (TAACCCT) program. Funding for this initiative was provided in the Health Care and Education Affordability Reconciliation Act of 2010 for FY 2011-2014 in the amount of $500 million per year. ETA also competitively awarded 68 YouthBuild grants totaling approximately $72 million and approximately $78 million to 52 RExO grantees.

During FY 2013, ONR staff analyzed and processed over 90 National Emergency Grants (NEG) and 300 grant modifications, totaling over $180 million. Staff are charged with responding to and/or coordinating ETA's responses to major dislocations as well as responding to Congressional, constituent and stakeholder inquiries. ONR staff also provide technical assistance and training to on NEGs, the Worker Adjustment and Retraining Notice (WARN) Act, and Rapid Response.

During FY 2013, OTAA staff completed investigations and issued determinations for more than 1,300 petitions for TAA benefits and services. Of these determinations, OTAA staff issued 1,025 certifications of worker group eligibility that covered an estimated 104,000 workers. Through agreements with 50+ Cooperating State Agencies (CSAs) designated by State Governors, OTAA ensures the TAA program is operated according to regulations and statutory requirements prescribed under Trade Act of 1974, as amended. The office is charged with legislative technical assistance; funding; performance tracking, monitoring and reporting; and outreach including correspondence and Congressional inquiries.

# TRAINING AND EMPLOYMENT

| DETAILED WORKLOAD AND PERFORMANCE | | | | | |
|---|---|---|---|---|---|
| | | **FY 2013 Enacted** | | **FY 2014 Enacted** | **FY 2015 Request** |
| | | **Target** | **Result** | **Target** | **Target** |
| **Adult Services** | | | | | |
| **Strategic Goal 1 - Prepare workers for better jobs** | | | | | |
| **Strategic Objective 1.1 - Advance employment opportunities for US workers in 21st century demand sectors and occupations using proven training models and through increased employer engagement and partnerships** | | | | | |
| ETA-TAA-01 | Average Petition Processing Time (APT) in Days | 45[r] | 50 | 45[r] | 45 |
| ETA-TAA-02 | Percent of Petitions Processed in Compliance with Established Review Procedures (ERP) (Internal Customer Service Measure) | 90% | 95% | 95% | 95% |

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

# TRAINING AND EMPLOYMENT

## Workload and Performance Summary

The FY 2015 request reflects the current-law baseline for the TAA program.  While the authorization for the Reversion 2014 program expires December 31, 2014, the program remains in the budget baseline (except for wage insurance).  The request assumes that the appropriators will continue Reversion TAA through September 30, 2015, and provide the funds requested.

OTAA will work to support the Secretary's Strategic Goals as described in the DOL FY 2014-2018 Strategic Plan:  Prepare workers for better jobs; and Secure retirement, health and other employee benefits and, for those not working, provide income security.  In addition, the TAA program supports the following strategic objectives:  (Strategic Objective 1.1) Advance employment opportunities for US workers in 21$^{st}$ century demand sectors and occupations using proven training models through increased employer engagements and partnerships; and (Strategic Objective 4.1) Provide income support when work is impossible or unavailable and facilitate return to work.

These goals are measured by the common measures of performance for Federal employment and training programs, and by internal production and quality measures, which ensure the timeliness and quality of TAA eligibility decisions.  Production and quality measures include reducing average petition processing time and increasing percent of petition determinations completed in compliance with established review procedures.  To reach immediate goals outlined in the Agency's Operating Plan, OTAA uses strategies (outlined below) for program planning purposes and to speed service delivery through more efficient trade investigations.

## Performance Improvement Strategies

The TAA program has had significant changes in legislation over the last three years but has managed to exceed all of the common performance measures and production measures, with the exception of processing petitions within the 40-day statutory requirement.  OTAA's main focus is to improve program production outcomes for each measure, conduct effective technical assistance and outreach to public stakeholders, and increase accountability to meet the 40-day statutory petition determination benchmark.  It will also focus on ensuring that timely and appropriate guidance is issued to states on any legislative changes.  For investigations, performance focus will include:

- limiting number of overdue petitions by Q4 of FY 2014 and meeting planned targets throughout  the FY 2015 Operating planning cycle;
- continuing the structured quality-control (QC) methodology that will include quarterly internal audits and QC continuous improvement strategies;
- overseeing internal management of assigned petitions and processing;
- improving case monitoring system to monitor timeliness and efficiency of investigations throughout the process;
- ensuring continued performance accountability is reflected in staff's performance standards plans and include corrective action plans; and

- developing more cross-division support functions and assignments that will focus on performance improvements, quality customer service, and better collaboration efforts to meet goals.

Second, OTAA will focus on smarter and more efficient public outreach which includes quality customer service and providing more frequent follow-up with petitioners to ascertain more timely data collection for determinations.  Further, OTAA will continue to implement strategies to make it easier for states to conduct internal assessments of data integrity, report accurate data through our data integrity initiative, and better track compliance to established procedures.

OTAA has made improvements to Trade Act Participant Report (TAPR) data collection, and will continue to extend technical guidance to states to correct data deficiencies in a timely manner, of which OTAA will capture and monitor internally.  OTAA, in coordination with the ETA regional offices, monitors and analyzes state reports on participant outcomes.  OTAA uses this information to monitor progress against the quarterly projections identified in the Operating Plan so that adjustments to strategies, work plans, and resource allocation can be made, as necessary.  Likewise, adjustments are made each quarter, where necessary, on business operations for MIS processing and investigations using data analysis reported bi-weekly to DOL on investigation outcomes, progress and trends.

Third, OTAA will develop strategies to improve how information is shared with the public and to become more business transparent.  This will include cost efficient strategies to enhance our website that will share program guidance, address frequently asked process questions, share data with states on their program outcomes (including posting calculation formulas and actual participant numbers for computing performance measures), highlight success stories, and provide information on any changes to the program.  OTAA plans to publish newly updated TAA program brochure information as necessary that highlights program eligibility, benefits and services, and addresses how to apply for TAA resulting from any changes in legislation.

Last, OTAA will work with states to ensure appropriate expenditures and timely designation of funding allocations.  This office will participate in the development of effective agency technical assistance strategies to ensure proper outreach and assistance is provided to state and federal partners.

# TRAINING AND EMPLOYMENT

| | | | | | Diff. FY15 Request / |
|---|---|---|---|---|---|
| **BUDGET ACTIVITY BY OBJECT CLASS** | | | | | |
| (Dollars in Thousands) | | | | | |
| | | **FY 2013 Enacted** | **FY 2014 Enacted** | **FY 2015 Request** | **FY14 Enacted** |
| 11.1 | Full-time permanent | 31,840 | 33,629 | 35,340 | 1,711 |
| 11.3 | Other than full-time permanent | 303 | 156 | 158 | 2 |
| 11.5 | Other personnel compensation | 21 | 452 | 471 | 19 |
| 11.8 | Special personal services payments | 0 | 0 | 0 | 0 |
| 11.9 | Total personnel compensation | 32,164 | 34,237 | 35,969 | 1,732 |
| 12.1 | Civilian personnel benefits | 9,519 | 9,931 | 10,415 | 484 |
| 13.0 | Benefits for former personnel | 5 | 296 | 218 | -78 |
| 21.0 | Travel and transportation of persons | 730 | 521 | 521 | 0 |
| 22.0 | Transportation of things | 0 | 0 | 0 | 0 |
| 23.1 | Rental payments to GSA | 4,125 | 3,952 | 4,030 | 78 |
| 23.2 | Rental payments to others | 2 | 2 | 2 | 0 |
| 23.3 | Communications, utilities, and miscellaneous charges | 429 | 285 | 285 | 0 |
| 24.0 | Printing and reproduction | 196 | 183 | 183 | 0 |
| 25.1 | Advisory and assistance services | 475 | 873 | 873 | 0 |
| 25.2 | Other services from non-Federal sources | 19 | 184 | 184 | 0 |
| 25.3 | Other goods and services from Federal sources 1/ | 8,384 | 9,139 | 9,040 | -99 |
| 25.4 | Operation and maintenance of facilities | 9 | 359 | 9 | -350 |
| 25.5 | Research and development contracts | 0 | 0 | 0 | 0 |
| 25.7 | Operation and maintenance of equipment | 6,721 | 7,280 | 7,280 | 0 |
| 26.0 | Supplies and materials | 250 | 360 | 360 | 0 |
| 31.0 | Equipment | 900 | 1,100 | 200 | -900 |
| 42.0 | Insurance claims and indemnities | 0 | 11 | 11 | 0 |
| | **Total** | **63,928** | **68,713** | **69,580** | **867** |
| | | | | | |
| 1/Other goods and services from Federal sources | | | | | |
| | Working Capital Fund | 8,121 | 7,866 | 8,017 | 151 |
| | DHS Services | 263 | 242 | 242 | 0 |

# TRAINING AND EMPLOYMENT

## CHANGES IN FY 2015
(Dollars in Thousands)

**Activity Changes**
  **Built-In**
    To Provide For:

| | |
|---|---:|
| Costs of pay adjustments | $572 |
| Funds shifted from NPS - PC  11 FTE | 1,160 |
| Personnel benefits | 144 |
| Funds shifted from NPS - PB  11 FTE | 340 |
| Federal Employees' Compensation Act (FECA) | 0 |
| Benefits for former personnel | -78 |
| Travel and transportation of persons | 0 |
| Transportation of things | 0 |
| Rental payments to GSA | 78 |
| Rental payments to others | 0 |
| Communications, utilities, and miscellaneous charges | 0 |
| Printing and reproduction | 0 |
| Advisory and assistance services | 0 |
| Other services from non-Federal sources | 0 |
| Working Capital Fund | 151 |
| Other Federal sources (Census Bureau) | 0 |
| Other Federal sources (DHS Charges) | 0 |
| Other goods and services from Federal sources | -250 |
| Research & Development Contracts | 0 |
| Operation and maintenance of facilities | -350 |
| Operation and maintenance of equipment | 0 |
| Supplies and materials | 0 |
| Equipment | -900 |
| Insurance claims and indemnities | 0 |
| **Built-Ins Subtotal** | **$867** |
|   **Direct FTE** | **11** |
| | |
| **Net Program** | **$0** |

| | Estimate | FTE |
|---|---:|---:|
| **Base** | **$69,580** | **327** |
| **Program Increase** | **$0** | **0** |
| **Program Decrease** | **$0** | **0** |

# WORKFORCE SECURITY

| BUDGET AUTHORITY BEFORE THE COMMITTEE | | | | |
|---|---|---|---|---|
| (Dollars in Thousands) | | | | |
| | FY 2013 Enacted | FY 2014 Enacted | FY 2015 Request | Diff. FY15 Request / FY14 Enacted |
| **Activity Appropriation** | **40,579** | **42,733** | **43,357** | **624** |
| FTE | 228 | 228 | 235 | 7 |

NOTE: FY 2013 reflects actual FTE.  Authorized FTE for FY 2013 was 229.

## Introduction

The Workforce Security activity provides leadership and policy direction for the administration of the comprehensive nationwide public employment service system; oversees UI programs in each State; supports the American Job Center network, including a comprehensive system of collecting, analyzing and disseminating labor market information; and includes related program operation support activities.  Federal staff provide oversight, informal evaluation and technical assistance to grant and contract recipients to maintain good stewardship of tax dollars.  Each FTE directly contributes to ETA's ability to provide effective grant management and oversight of Federal investments, as well as contributes to the efforts of UI integrity and identifaction of misclassification of independent contractors.  ETA will utilize its resources to disseminate promising practices and encourage cross-site collaboration to improve customer service, expand opportunities and generate positive outcomes.

## Unemployment Insurance

OUI is responsible for providing oversight and policy guidance to the Federal-State unemployment compensation program to ensure conformity and substantial compliance of State law, regulations, rules, and operations with Federal law.  OUI determines administrative fund requirements and provides money to States for proper and efficient administration, sets broad overall policy for administration of the program and with assistance of regionally located staff, monitors State performance and provides technical assistance, and oversees Federal and State activity in the unemployment trust fund and fulfills responsibilities ensuring solvency of Federal accounts.

S&E resources are used to provide Federal leadership, legislative and performance oversight, policy guidance, technical assistance, and legislative support to States in operation of their Unemployment Compensation (UC) programs.  Resources will also be used for Federal budget and policy development and to collect, analyze, and publish data related to State UC programs which are used for economic analysis and program oversight.  Strong program performance is a key objective for the UI program and resources will be applied to measuring, evaluating, and improving performance.

# WORKFORCE SECURITY

Employment Service

Employment Service (ES) Federal staff provide leadership, policy guidance and direction, technical assistance, training, and oversight for the operation of the national public ES system through State offices and local American Job Centers.  Regional office staff provide oversight and technical assistance at the State and local levels.  This budget request includes administrative funding for Technical Assistance and Training activities and the Federal contribution to State Workforce Agency Retirement Systems.

Workforce Information/National Electronic Tools/System Building

PA funding for the Workforce Information/National Electronic Tools/System Building supports the operation and management of information and tools for the workforce investment system, including , O*NET, the Competency Model Initiative, mySkills myFuture, My Next Move and the suite of electronic tools found at www.careeronestop.org.  Specific activities include developing policy guidance, issuing grants and grants management.  Staff support will also be provided for data collection for veterans' Priority of Service as part of the Department's implementation of the VOW to Hire Heroes Act and to manage eligibility criteria relating to the UI provisions therein.

**Five-Year Budget Activity History**

| Fiscal Year | Funding | FTE |
|:---:|:---:|:---:|
| | (Dollars in Thousands) | |
| 2010 | $42,986 | 239 |
| 2011 | $42,900 | 239 |
| 2012 | $42,819 | 242 |
| 2013 | $40,579 | 235 |
| 2014 | $42,733 | 228 |

## FY 2015

The FY 2015 request for Workforce Security activities is $43,357,000 and 235 FTE.  In FY 2015, staff will implement Bridge to Work grants, a new initiative that will provide states with flexible funding to implement a menu of innovative reemployment initiatives and reforms targeted to UI claimants as well as design, develop, and implement their own innovative work-based UI reforms that maintain important protections for workers.

Federal staff lead the administration of the UI program by formulating, communicating, and analyzing program policies, developing and analyzing critical economic and employment data, measuring performance and encouraging continuous improvement throughout the UI system, providing technical assistance to state workforce agencies and other partners, and working with states to develop state laws and operating procedures and ensuring their compliance with Federal regulations.  For FY 2015, the Department has developed strategic action plans to promote program and performance improvement: 1) program accountability and performance; 2) program integrity and reduction of improper payments; and 3) reemployment of UI claimants.

# WORKFORCE SECURITY

Program Accountability and Performance:

The Department will continue to focus on significantly bolstering broad program accountability and facilitating performance improvement nationally.  Strategies to meet this objective include:

- Working with the identified "At Risk" states with the poorest performance and providing high-emphasis technical assistance to support performance improvement; and

- Continue state monitoring of state program operations.  As part of UI Performs, a comprehensive performance management system for the UI program, the State Quality Service Plan (SQSP) is the principle vehicle that the state UI programs use to plan, record and mange improvement efforts.  The UI Performs system includes national core performance measures with specific criteria for acceptable levels of performance.  Any state that does not meet the criteria for any of the core measures must submit a corrective action plan in its annual SQSP submission.

Program Integrity and Reduction of Improper Payments:

A high priority at the Department is to reduce UI improper payments as quickly as possible.  Strategies designed to advance these efforts include:

1) Implementation of strategies to address top root causes of improper payments.  The Department has developed a comprehensive Improper Payments Strategic plan to address the root causes of improper payments and is aggressively working to implement the strategies/actions in the plan in conjunction with state partners.  Activities include implementation of new performance measures; developing new improper payment prevention tools; enhancing existing tools; intensive monitoring of underperforming states; and targeted technical assistance and funding.

- Worker Misclassification Initiative.  The Department will continue the cross-agency initiative with its Wage and Hour Division, state UI agencies, the Internal Revenue Service to aggressively pursue employers who purposefully misclassify workers and to develop better information-sharing strategies across programs.  Additionally, the Department will continue individualized technical assistance to address activities such as state commitment of audit resources, auditing procedures, audit selection methods, and data-sharing initiatives as well as develop plans to issue grants to states for initiating and/or enhancing their worker misclassification programs.

- Continue with the implementation of the UI Integrity Center of Excellence.  The Center's mission is to develop, implement, and promote innovative integrity strategies in the UI program, focusing on the prevention and detection of fraud.  Its mission also includes offering states technical assistance and collecting and disseminating best practices among the states.

# WORKFORCE SECURITY

<u>Reemployment of UI Claimants</u>

The Department will continue to focus on reemployment strategies for UI claimants in order to further speed up the reemployment outcomes for UI claimants.  The initiative will build on the success of the existing Reemployment and Eligibility Assessment (REA) program by establishing an enhanced Reemployment Services and Eligibility Assessment (REA/RES) program in FY 2015.  This initiative will target enhanced reemployment services and eligibility assessments to the top quarter of UI claimants most likely to exhaust their benefits and to all transitioning veterans receiving Unemployment Compensation for Ex-servicemembers (UCX).  REA/RES has been shown to produce $2.60 in savings for the UI system for each $1.00 invested.

In FY 2015, Employment Service staff will focus on meeting the needs of returning veterans, especially those transitioning from active duty.  The Department will continue to encourage the system to develop improved labor market information to businesses and encourage states to make greater use of state-collected administrative data from the workforce investment system and data collected by education and human service agencies to expand the information available on the characteristics of the workforce.

Workforce Information/National Electronic Tools/System Building staff will support the ongoing operation and maintenance of the suite of national electronic tools, including the CareerOneStop portal and the O*NET data collection, research activities, and data dissemination, as well as develop additional applications

To operate more efficiently, the Department increasingly relies on delivering technical assistance online rather than in person.  Staff support the Workforce3One site, which is designed for employment and training practitioners, providing both technical assistance to the workforce system and a means by which practitioners can electronically share information, advice, ideas and best practices to deliver training and technical assistance to workforce investment system staff through webinars, social media networking, and identification of best practices.

## **FY 2014**

The FY 2014 appropriation for the Workforce Security activity is $42,733,000 and 228 FTE.  OUI continues to focus on significantly bolstering broad program accountability and facilitating performance improvement nationally.  Strategies to meet this objective include:

- Working with the identified "At Risk" states with the poorest performance and providing high-emphasis technical assistance to support performance improvement; and

- Implementing UI Performs, a mature performance management system, which includes eleven core measures for the program.

ETA has an aggressive strategic plan to work with states to control UI improper payments.  The plan includes a number of robust strategies already under way as well as newly identified strategies ETA is currently rolling out as quickly as feasible; OUI updates this plan on a monthly

basis.  Over the last two fiscal years, the Department provided a total of $361 million to support states' efforts in implementing core integrity activities.  A total of 47 state workforce agencies have successfully implemented the new NDNH recommended operating procedures, while all 53 agencies have implemented their own state-specific claimant and employer messaging campaigns using at least one tool developed by ETA.  Implementation of these activities has assisted states in reducing the overall improper payment rate by -0.16 percent between FY 2011 and CY 2012.  This reduction led ETA to:

- Continue providing technical assistance to states for implementation of:

  - Recommended operating procedures for the use of the NDNH for overpayment detection and collection operations to promote the early detection of fraud claims; and

  - Claimant and employer messaging tools to both improve claimant and employer understanding and compliance with established rules and procedures related to UI claims.

- Continue working with the Information Technology Support Center (ITSC) on the Partnership Fund for Integrity Innovation pilot to explore data sources that will help identify more quickly those claimants who have returned to work and continue to claim benefits.  ETA will conduct a live pilot with volunteer states and one or more private vendors on using banking payroll deposit transaction and/or payroll payment information from payroll service providers, and/or commercial employment and income verifiers to detect individuals who are receiving UI benefits and are also employed.

For the last several years, ETA has been focusing significant technical assistance resources to promote innovative reemployment service delivery strategies, improved integration of the UI program with the workforce system broadly, and a greater focus connecting UI claimants to reemployment services.  A national workgroup comprised of federal, regional, state and local area staff with cross-program representation, identified the full continuum of workforce services that should be accessible to UI claimants and all jobseekers, the vision identified by the workgroup emphasizes a coordinated customer-centric focus and builds on four transformational elements that facilitate system integration and connectivity: a "common front door" for the workforce system supported by an integrated registration system; skills transferability; real-time triage; and the use of social media to expand system communication options and capacity.

Through a partnership with the National Association of State Workforce Agencies Information Technology Support Center (NASWA/ITSC), in the fall of 2011, five states were provided grants to implement various elements of the vision and to work with NASWA/ITSC to build the integrated registration tool.  Since that time, the states have been actively collaborating with NASWA to develop common operational functional requirements for each of the vision elements that can be used in other states that want to use these requirements as a foundation for implementation in their individual states; designing two technology tools that three of the pilot states will implement as part of the pilot (an Integrated Workforce System Registration module and a Customer Profile Page); developing state specific business processes that will improve reemployment services and integrate the new tools; and supported development of a workforce system social media guide.  An evaluation contractor has been on board since the pilots were

selected and will evaluate this change initiative as it evolves as well as the outcomes the states achieve when they fully implement.

In FY 2014, ETA will continue with activities to support this initiative, scheduled for completion in September 2014.  These activities include working with NASWA/ITSC to provide technical assistance to pilot states for:  (a) implementation of the Integrated Workforce Registration System and Customer Profile Page; (b) implementation of state specific strategies for the real-time triage and job match/skills transferability processes; and (c) disseminating the products developed by the pilot states to all states through the UI Community of Practice private forum on the Workforce3 One Web site.  In addition, ETA will have provided incentive funding to 10 new states toward the end of FY 2013 to support their replication of pilot state models and adoption of the new technology tools.  In FY 2014, ETA will continue to work with these 10 states and also share the results and products from these pilots nationally.

ETA will also oversee and provide technical assistance for state implementation of the REA initiative, focusing on strategies to ensure the integrity of the UI program and that UI claimants are fully connected to the services offered through the workforce investment system.  REA provides funds to states to focus on bringing UI claimants into American Job Centers to conduct an eligibility review and develop a reemployment plan that connects them to job center services.  ETA will work with the Department's Chief Evaluator to support a new evaluation of the REA program in FY 2014, as well.

Federal staff are also needed to ensure that desired outcomes in support of the Department's strategic goals are achieved.  Grant management activities directly align with the Department's outcome goals for this item in the strategic plan.  The standard formula and discretionary grants are aimed at ensuring unemployed workers obtain the necessary skills and training to succeed in a knowledge-based economy and find paths to middle class jobs to become and remain middle-class families.

The Department monitors ES grantee performance regularly through Federal Project Officers located in ETA regional offices, to ensure that the grantees are in compliance with the statute and on target to meet performance goals.  Such monitoring informs the design and delivery of technical assistance to improve performance.

This year's electronic tools will feature more streamlined and customized information and online services for veterans including incorporating into all the electronic tools an enhanced military to civilian crosswalk.  Additionally, the Department is re-engineering the technical assistance platform Workforce3one, with a planned release of summer 2014.

## FY 2013

$40,579,000 and 228 FTE were provided for Workforce Security activities in FY 2013.  During the year, ETA provided technical assistance to states in a variety of UI program areas.  Twenty-two states requested and received assistance with updating or implementing the Department's computer model that simulates State UI benefit financing systems in order to help them analyze proposed legislative changes and how to improve trust fund solvency under various economic

conditions. Assistance was also provided to two States in the development of UI profiling models and in the implementation and evaluation of REA programs. Classroom training was provided to 30 State employees on quantitative methods and actuarial techniques for UI benefit financing. Substantial technical assistance was also provided to help states meet sequestration requirements.

In addition, states were provided legislative advice on how to achieve certain programmatic objectives while complying with Federal law. More than 1,700 state bills and 600 regulations were reviewed to ensure conformity with Federal law. ETA also provided substantial technical assistance to the Administration, congressional staff, and state agencies working on extensions for Emergency Unemployment Compensation and provisions enacted through the Middle Class Tax Relief and Job Creation Act of 2012.

ETA also was engaged in overseeing implementation of various tools to assist states with UI operations and administration. ETA continued to facilitate implementation of the State Information Data Exchange System (SIDES), an electronic database that allows employers and their third party administrators to more efficiently report information regarding an employee's separation. Thirty-eight states have implanted SIDES to date. ETA also facilitated implementation of the Treasury Offset Program (TOP) which permits states to recover certain UI debts due to fraud from Federal income tax refunds. As of December 2013, 38 states had implemented TOP and had recovered over $495 million in UI overpayments.

ETA continued to ensure that UI integrity remains a top priority and developed state-specific strategies to reduce the UI improper payment rate. States were provided supplemental funding to implement projects designed to prevent and detect improper payments. A total grant award of $176.4 million was provided to 40 states for program integrity and performance and system improvement projects. The goals of these projects are to accelerate state actions to reduce improper payment rates; provide opportunities for states to modernize their UI benefits and/or UI tax systems; and design and implement technology-based tools to prevent, detect, or recover improper UI payments. Additionally, $3 million was provided in supplemental funding to New York for continued support of the UI Integrity Center of Excellence, with the goal of promoting the development and implementation of innovative integrity strategies, including the prevention and detection of fraud, in the UI program. ETA will continue to work with OMB, the President's Management Advisory Board (PMAB), and the National Association of State Workforce Agencies (NASWA) to implement this Center in partnership with New York. The Department is also coordination with states on the U.S. Department of the Treasury's *Do Not Pay portal* to pilot cross-matching UI claims against The Work Number, an online employment verification system. Arizona and Colorado are currently involved in this pilot program.

ETA also awarded a total of $64.2 million to 41 states in 2013 to implement or continue the REA initiative for unemployment UI beneficiaries. This was the ninth year that ETA awarded REA grants. REAs are in-person assessments for UI claimants in American Job Centers that include a UI eligibility review, the provision of labor market information, development of a reemployment plan, and referral to reemployment services and/or training. The grants support strong linkages between the UI program and reemployment service providers as well as program integrity.

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ETA also hosted the 2013 Unemployment Insurance National Tax Conference. This is a national meeting that brings together state unemployment insurance tax administrators to discuss and plan the national direction for the program. The conference was an opportunity to message important Departmental initiatives, including worker misclassification detection and enforcement, tax rate manipulation, and program integrity. Over 125 state administrators from 45 states attended the conference.

The UCX automation initiative was announced in FY 2013. The Department's main goals for this initiative are to improve, streamline, and automate UCX claims processing and billing, provide timely and accurate benefits to ex-servicemembers, and to maintain the integrity of military accounts. In 2013, a workgroup comprised of all the military branches, states, and the National Office and Federal Claims Control Center met weekly for several months to develop the specifications for the resulting web-based application – the Military-State Data Exchange System (MSDES). The claim processing component of MSDES was successfully piloted by 12 states and all branches of the military in October-December of 2013 and is currently in full production. The billing component of MSDES began pilot testing in October 2013. MSDES vastly improves the data exchange network for all UCX stakeholders.

ETA also provided support and promotion for the Self-Employment Assistance (SEA) and Short-Time Compensation (STC) programs, including launching both SEA and STC web sites. Also, a promotional campaign was launched to encourage more states to adopt STC programs. Through FY 2013, 17 states had signed STC agreements with the Department. States were also provided technical assistance on submitting STC grant applications to implement or improve STC initiatives and to promote and enroll employers in the program.

The Employment Service has been a vital program in providing career services to completers of the Veterans Retraining Assistance Program (VRAP). VRAP provides up to 12-months of retraining assistance to eligible unemployed veterans. The benefit is provided through the Department of Veterans Affairs; however, VRAP requires the Department of Labor to facilitate the provision of employment services to program participants as they complete the program. The Employment Service has been utilized by DOL as one of the primary mechanisms to ensure VRAP participants are offered employment services. In FY 2013, the Employment Service implemented a critical new data validation process which ensures the program is able to monitor the performance of important ES activities. The Enterprise Data Reporting and Validation System (E-DRVS) was launched to ensure that reporting data from all of the states maintains and improves upon its quality.

In FY 2013, both CareerOneStop and O*NET sites added enhanced searches, features, and functionality for veterans seeking civilian careers and jobs. New browser-based mobile applications were developed to put these resources in the hands of job seekers and businesses, including a mobile job search tool. Spanish translation was provided for more tools and resources on CareerOneStop, including the new COS Business Center and Mi Proximo Paso was launched as the Spanish version of the O*NET tool My Next Move. The Department also significantly expanded the number of research-based practices available on its Workforce System Strategies feature of Workforce3one, and delivered training and technical assistance to workforce investment system staff through webinars, social media networking.

# WORKFORCE SECURITY

## BUDGET ACTIVITY BY OBJECT CLASS
### (Dollars in Thousands)

| | | FY 2013 Enacted | FY 2014 Enacted | FY 2015 Request | Diff. FY15 Request / FY14 Enacted |
|---|---|---|---|---|---|
| 11.1 | Full-time permanent | 23,474 | 23,060 | 24,142 | 1,082 |
| 11.3 | Other than full-time permanent | 243 | 149 | 150 | 1 |
| 11.5 | Other personnel compensation | 16 | 314 | 326 | 12 |
| 11.9 | Total personnel compensation | 23,733 | 23,523 | 24,618 | 1,095 |
| 12.1 | Civilian personnel benefits | 7,171 | 6,819 | 7,124 | 305 |
| 13.0 | Benefits for former personnel | 4 | 205 | 151 | -54 |
| 21.0 | Travel and transportation of persons | 325 | 521 | 521 | 0 |
| 22.0 | Transportation of things | 0 | 0 | 0 | 0 |
| 23.1 | Rental payments to GSA | 2,965 | 3,208 | 3,268 | 60 |
| 23.2 | Rental payments to others | 1 | 2 | 2 | 0 |
| 23.3 | Communications, utilities, and miscellaneous charges | 302 | 206 | 206 | 0 |
| 24.0 | Printing and reproduction | 5 | 127 | 127 | 0 |
| 25.1 | Advisory and assistance services | 487 | 140 | 140 | 0 |
| 25.2 | Other services from non-Federal sources | 13 | 128 | 128 | 0 |
| 25.3 | Other goods and services from Federal sources 1/ | 3,793 | 4,166 | 4,271 | 105 |
| 25.4 | Operation and maintenance of facilities | 6 | 54 | 54 | 0 |
| 25.5 | Research and development contracts | 0 | 0 | 0 | 0 |
| 25.7 | Operation and maintenance of equipment | 1,288 | 2,291 | 2,291 | 0 |
| 26.0 | Supplies and materials | 245 | 310 | 310 | 0 |
| 31.0 | Equipment | 241 | 1,025 | 138 | -887 |
| 42.0 | Insurance claims and indemnities | 0 | 8 | 8 | 0 |
| | **Total** | **40,579** | **42,733** | **43,357** | **624** |
| | | | | | |
| 1/Other goods and services from Federal sources | | | | | |
| | Working Capital Fund | 3,594 | 3,949 | 4,054 | 105 |
| | DHS Services | 199 | 197 | 197 | 0 |

# WORKFORCE SECURITY

## CHANGES IN FY 2015
(Dollars in Thousands)

**Activity Changes**
  **Built-In**
   To Provide For:
| | |
|---|---:|
| Costs of pay adjustments | $409 |
| Funds shifted from NPS - PC  7 FTE | 686 |
| Personnel benefits | 104 |
| Funds shifted from NPS - PB  7 FTE | 201 |
| Federal Employees' Compensation Act (FECA) | 0 |
| Benefits for former personnel | -54 |
| Travel and transportation of persons | 0 |
| Transportation of things | 0 |
| Rental payments to GSA | 60 |
| Rental payments to others | 0 |
| Communications, utilities, and miscellaneous charges | 0 |
| Printing and reproduction | 0 |
| Advisory and assistance services | 0 |
| Other services from non-Federal sources | 0 |
| Working Capital Fund | 105 |
| Other Federal sources (Census Bureau) | 0 |
| Other Federal sources (DHS Charges) | 0 |
| Other goods and services from Federal sources | 0 |
| Research & Development Contracts | 0 |
| Operation and maintenance of facilities | 0 |
| Operation and maintenance of equipment | 0 |
| Supplies and materials | 0 |
| Equipment | -887 |
| Insurance claims and indemnities | 0 |
| **Built-Ins Subtotal** | **$624** |
|   **Direct FTE** | **7** |
| **Net Program** | **$0** |

| | Estimate | FTE |
|---|---:|---:|
| **Base** | **$43,357** | **228** |
| **Program Increase** | **$0** | **0** |
| **Program Decrease** | **$0** | **0** |

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| BUDGET AUTHORITY BEFORE THE COMMITTEE | | | | |
|---|---|---|---|---|
| (Dollars in Thousands) | | | | |
| | FY 2013 Enacted | FY 2014 Enacted | FY 2015 Request | Diff. FY15 Request / FY14 Enacted |
| **Activity Appropriation** | **26,228** | **30,000** | **33,384** | **3,384** |
| FTE | 156 | 156 | 160 | 4 |

NOTE: FY 2013 reflects actual FTE. Authorized FTE for FY 2013 was 150.

## Introduction

In his State of the Union Address on January 28, 2014, President Barack Obama stated the need to "train Americans with the skills employers need, and match them to better jobs that can be filled right now. That means more on-the-job training, and more apprenticeships that set a young worker on an upward trajectory for life." The 2015 budget request seeks to dramatically expand the Registered Apprenticeship model as a career pathway for significantly greater numbers of American workers, with a goal of doubling the number of apprenticeships within the next five years. This goal is supported by the Secretary's Advisory Committee on Apprenticeship (ACA), a body of business leaders, labor representatives, and public officials from around the country.[2].

Most Americans are familiar with the concept of an apprenticeship: the apprentice, or trainee, works in a structured on the job learning program for a period of time under the guidance of a more experienced worker, mentor or expert in a field, which is complemented with class-room instruction related to their chosen occupation gradually accumulating knowledge, skills and hands-on competency to become fully proficient. Registered Apprenticeship is also known for its long and rich history as the premier career pathway for the construction industry. However, what is less understood is how modern apprenticeships are on the cutting edge of innovation in preparing a skilled workforce for all of today's industries (including construction) and that the model can be integrated with a broad range of workforce development and educational strategies. To start, apprentices receive a paycheck from day one that is guaranteed to increase as their training, knowledge, skills, and abilities progress – no small benefit in an age of rising college costs and student loan debt. Apprenticeships (which can last from one to six years) also connect education and work simultaneously: apprentices gain industry-recognized credentials, and in many cases, college credits that can lead to an associate or bachelor's degree. Those credentials in turn lead to a long-term, well-paying career.

At a time when employers increasingly indicate there is a growing mismatch between the demands of the jobs created and the skills of the available workers, Registered Apprenticeship collaboratively develops customized training plans with employers that result in industry-issued, nationally recognized credentials that create secure pathways to the middle-class and sustainable careers for its participants. According to the Bureau of Labor Statistics (BLS) employment projections for 2012-2022, occupations that typically incorporate apprenticeships are projected to

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[2] See "21st Century Registered Apprenticeship: A Shared Vision for Increasing Opportunity, Innovation, and Competitiveness for American Workers and Employers." https://21stcenturyapprenticeship.workforce3one.org/view/ 21st_Century_Vision_for_Registered_Apprenticeship_/info

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grow by 22.2 percent, significantly faster than any other category of on-the-job training (see Bureau of Labor Statistics, Employment Projections at http://www.bls.gov/news.release/ecopro.nr0.htm).[3]

An individual employer, employers, or an industry association usually sponsors a Registered Apprenticeship, sometimes in partnership with a labor organization.  These "industry sponsors" of apprenticeships may also include larger employers, labor-management organizations or the military.  Industry sponsors make significant investments – an estimated $1 billion per year – to design and execute Registered Apprenticeship programs, provide jobs to apprentices, oversee training development, and provide hands-on learning and technical instruction for apprentices.

For this reason, Registered Apprenticeship continues to be one of the best Federal workforce investments leveraging minimal public money to secure significant private investment.  The Department of Labor administers the National Apprenticeship Act of 1937 through the Office of Apprenticeship (OA) within ETA.  The FY 2015 request aims to create additional capacity to promote and register new or expanded quality apprenticeship programs in untapped growth industries and occupations.  Today there are only 19,000 Registered Apprenticeship programs and 375,000 Registered Apprenticeship participants in the U.S.  Other economies that we are competing with, like Germany, have created millions of apprenticeships with small incentives and additional support to build partnerships.

The FY 2015 budget proposes funds to rapidly expand Registered Apprenticeship across the country.  The 2015 Budget includes a $3 million increase for OA.  These funds will be used to support activities such as, national outreach and promotion activities conducted in collaboration with the Department of Commerce; technical assistance, program registration, and oversight; and the development of technology-based solutions to improve customer experience and to create efficiencies in conducting our business.  In addition to Program Administration resources which provide essential resources for the basic maintenance of the national Registered Apprenticeship system, the FY 2015 Opportunity, Growth, Security Initiative proposes $500 million as the first installment in a four-year Apprenticeship Training Fund, which will support the goal of doubling the number of Registered Apprenticeships across the country in the next five years.  The Apprenticeship Training Fund will provide formula-based grants to states to complement their existing efforts to expand quality Registered Apprenticeships within their states; award competitive challenge grants geared at incentivizing states and employers to commit and leverage resources to further expand quality Registered Apprenticeships in their regions; and provide competitive innovation grants to foster partnerships among local governments, employers, industry associations, training providers, community colleges, labor organizations, workforce boards, non-profits and faith-based organizations that can scale Registered Apprenticeship models or expand opportunities for apprenticeship in growing and nontraditional fields.

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[3] See Occupational Outlook Handbook (OOH) "Apprenticeship: Earn while you learn" by Elka Torpey Summer 2013 http://www.bls.gov/ooq/2013/summer/art01.pdf

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## Evidence Based Value of Registered Apprenticeship

A body of evidence supports the  expansion of Registered Apprenticeship as a key strategy aimed at maintaining America's position of preeminence in key industry sectors of the world economy including, manufacturing, transportation, information technology, health care, and the skilled trades.  The value of Registered Apprenticeship for participants has been quantified in a third party evaluation by Mathematica Policy Research (MPR), commissioned by the US Department of Labor.  The evaluation shows that for approximately $718 in public investment, there is a $61,000 return in net social benefits.[4]  Additionally, individual apprentices who complete their apprenticeship training were shown to earn approximately $300,000 more in earnings than non-completers over the course of a career.  In December 2013, the Center for American Progress released a report that concluded "expanding the U.S. apprenticeship system would help strengthen our economy… evidence on the effectiveness and return on investment for apprenticeships is strong – they are overwhelmingly recommended by employers and lead to significant increases in lifetime earnings and benefits…for workers."[5]

Other recent reports highlight the benefits of Registered Apprenticeships.  A 2013 study of workforce and training programs in Washington state showed that Registered Apprenticeship had the highest net quarterly earnings impacts out of the 11 programs that were measured.[6]  The *Iowa Registered Apprenticeship Employment and Wage Report* indicates that occupation by occupation, workers trained in apprenticeship programs earn wages in most cases significantly higher than workers in the same occupation who only earn a high school diploma or use other types of one and two year training programs.[7]

Finally, there is a body of growing evidence that apprenticeships can grow rapidly with a modest investment and focus (e.g., marketing, IT investments, tax credits for apprenticeship sponsor, tuition benefits, etc.), as evidenced by our G20 counterparts.  The number of apprenticeships has tripled in Australia (annual investment of approximately $1 billion) since 1996 and has multiplied tenfold in the United Kingdom, for an annual investment of £1.2 billion, since 1990. In the United States, South Carolina has seen dramatic expansion of their apprenticeship

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[4] See pages xv and xvi of "An Effectiveness Assessment and Cost Benefit Analysis of Registered Apprenticeship in 10 States" by Mathematica Policy Research. http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_10.pdf

[5] Center for American Progress "Training for Success—A policy to Expand Apprenticeships in the United States" by Ben Olinsky and Sarah Ayres, December 2013.  http://www.americanprogress.org/wp-content/uploads/2013/11/apprenticeship_report.pdf

[6] Hollenbeck, Kevin M., and Wei-Jang Huang. 2013. "Net Impact and Benefit-Cost Estimates of the Workforce Development System in Washington State." Upjohn Institute Technical Report No. 13-029. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research. http://research.upjohn.org/up_technicalreports/29

[7] See "Iowa Registered Apprenticeship Employment and Wage Report." January 2014.  http://www.iowaworkforce.org/news/xcnewsplus.asp?cmd=view&articleid=995

programs through a comprehensive program of modest tax incentives combined with dynamic marketing and outreach efforts. Moreover, countries such as Germany, Switzerland, and Austria have achieved high levels of income and low levels of youth unemployment through effective apprenticeship and technical education programs.

## Program Operations

The Department, through the Office of Apprenticeship administers the National Apprenticeship Act of 1937 (NAA), which established a foundation for developing and expanding the nation's skilled workforce through Registered Apprenticeship programs with standards for safeguarding the safety and welfare of apprentices.

Federal staff continue to provide leadership and critical oversight functions for the National Registered Apprenticeship system. In cooperation with State Apprenticeship Agencies, Federal staff administer apprenticeship at the state and local levels by:

- Promoting the development and recognition of new programs and occupations;
- Registering apprenticeship programs that meet Federal standards;
- Issuing apprentices nationally recognized and portable certificates of completion;
- Assuring that all programs provide high quality learning;
- Ensuring equal employment opportunity (EEO) in Registered Apprenticeship programs.
- Promoting partnerships of Registered Apprenticeship with other Federal programs and agencies including the workforce and education systems; and
- Providing oversight and technical assistance to State Apprenticeship Agencies in 25 states, the District of Columbia and Guam.

The collective efforts of the National Registered Apprenticeship system contributes to success in achieving the Department's Strategic Goal: *Prepare workers for better jobs*; and the Department's Outcome Goal: *Provide marketable skills and knowledge to increase workers' incomes and help them overcome barriers to the middle class through partnerships among business, education, labor, community organizations, and the workforce system.*

## Five-Year Budget Activity History

| Fiscal Year | Funding | FTE |
|:---:|:---:|:---:|
| | (Dollars in Thousands) | |
| 2010 | $27,784 | 155 |
| 2011 | $27,728 | 155 |
| 2012 | $27,676 | 155 |
| 2013 | $26,228 | 150 |
| 2014 | $30,000 | 156 |

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The FY 2015 budget proposes a $3 million increase for the Office of Apprenticeship, bringing the total to $33,384,000 and 160 FTE as part of a strategy to expand registered apprenticeships across the country.  This increase will contribute to:

- Promotion and outreach activities to raise public and employer awareness of the value and benefits of Registered Apprenticeship;
- Technical Assistance and support to sponsors, stakeholders, and partners, particularly newly awarded grantees; and
- Critical investments to improve IT infrastructure and to develop on-line resources to assist sponsors in the development and registration of apprenticeship programs, including improved tools on the OA website and Customer Relation Management tools.

Beginning in 2014, the President will mobilize leaders from business, labor, community colleges and other training providers to boost the number of Registered Apprenticeships in this country and expand the "learn and earn" strategies to other cutting edge fields.  The Department may offer grants to support the expansion of high-quality Registered Apprenticeship models across the country.  To further support this effort, the Opportunity, Growth, and Security Initiative proposes a $500 million Apprenticeship Training Fund in FY 2015, as the first installment in a four-year funding commitment to double the number of apprentices within the next 5 years.

ETA will adopt new programmatic, process improvement and technological approaches to meet this increased demand for the services and functions described above.  Much of the groundwork and foundation for these efforts will occur during FY 2014 and broader scale implementation occurring in FY 2015.  These reforms and actions will be aligned to support critical investments in FY 2014, such as apprenticeship expansion efforts, as well as anticipated broader demand and adoption as a result of the establishment of the Apprenticeship Training Fund and other ongoing efforts.

## New Programmatic Approaches

*Support the establishment of the Apprenticeship Training Fund*

The $500 million Apprenticeship Training Fund will build on successful Registered Apprenticeship models, drive ongoing innovation, and support state and regional strategies to expand quality Registered Apprenticeship programs with the goal of doubling the number of programs across the country over the next five years.  The Fund will provide formula-based grants to states to complement their existing efforts to expand quality Registered Apprenticeships within their states; award competitive challenge grants geared at incentivizing states and employers to commit and leverage resources to further expand quality Registered

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Apprenticeships in their regions using bold, evidence-based strategies; and provide competitive innovation grants aimed at fostering partnerships among local governments, employers, industry associations, training providers, community colleges, labor organizations, workforce boards, non-profits and faith-based organizations that can scale Registered Apprenticeship models or expand opportunities for apprenticeship in innovative and growing fields. In FY 2015, the Department will establish the necessary administrative structures to issue funds, oversee the use of Apprenticeship Training Fund resources, and support new and existing program sponsors, partners, and stakeholders.

*Advance the 21st Century Registered Apprenticeship System*

In FY 2015, ETA will continue to advance the Secretary of Labor's Advisory Committee on Apprenticeship's (ACA) vision for a 21st century Registered Apprenticeship system. Key goals in support of this vision include:

- Increasing the number of businesses and additional industries that use and reap the advantages of quality Registered Apprenticeship programs.
- Increasing the number of Americans that seek and find Registered Apprenticeship as a valuable post-secondary pathway to rewarding careers.
- Ensure that diverse populations in the U.S. workforce will have access to growing opportunities in Registered Apprenticeship.
- Support public policies that reflect the power and value of Registered Apprenticeship to address economic and workforce development challenges.

## Process Improvement and Reengineering

*Conduct High Level Promotion and Outreach Activities to Increase Awareness and Value of Registered Apprenticeship*

Raising industry and public awareness of the value and benefits of Registered Apprenticeship is central to our broader goals to expand the model[8]. DOL will utilize social media, administration and industry champions and targeted events to implement a national education and outreach campaign and national dialogue with business and labor labors to elevate the public image of Registered Apprenticeship. Partners will also assist in marketing efforts to ensure the value of apprenticeship is understood by a variety of audiences.

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[8] Center for American Progress "Training for Success—A policy to Expand Apprenticeships in the United States" by Ben Olinsky and Sarah Ayres, December 2013. http://www.americanprogress.org/wp-content/uploads/2013/11/apprenticeship_report.pdf
"21st Century Registered Apprenticeship: A Shared Vision for Increasing Opportunity, Innovation, and Competitiveness for American Workers and Employers." https://21stcenturyapprenticeship.workforce3one.org/view/21st_Century_Vision_for_Registered_Apprenticeship_/info

# APPRENTICESHIP

*Improved Technical Assistance and Support to Sponsors to Improve Program Quality*

ETA will continue to emphasize efforts to support and improve overall program quality. In FY 2015, the Agency will begin efforts for the establishment of a technical assistance center to support sponsors in a variety of areas including program registration, program design and development, and ongoing program oversight. This center will complement the work of Federal staff that will maintain ultimate responsibility for program registration and oversight. Last year, Federal staff conducted more than 2,000 individual monitoring activities. Outcomes from staff conducted EEO and quality assessments include revisions to program components, additions to the number of occupations included, EEO plan updates, and modifications to work outlines/curriculum to imbed the latest technology and industry standards. Staff will combine this effort with a focus on assisting program sponsors to improve their program quality and apprentice completion rates through technical assistance, outreach, and better data management. Ongoing program assessments with a focus on improving performance are core continuous improvement efforts.

*Re-Engineer Program Registration Process*

ETA will refine and expand its sector-specific and customer-focused consultative sales initiatives begun in FY 2014 with a specific focus on re-engineering the program registration process. While still maintaining all regulatory requirements for registration, Federal staff will seek to make this process easier for new sponsors and ideally create an on-line process and tools for program sponsors to begin the program development and design phase of the process. These efforts will reduce the overall time for program registration while allowing Federal staff to focus on more value-added consultative services to potential new sponsors.

*Launch Sectors of Excellence in Apprenticeship*

ETA will implement a sector-specific and customer-focused consultative sales initiative. This outreach effort will build on a national dialogue on apprenticeship by including strategies that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like health care, advanced manufacturing, and energy.

A core strategy is the implementation of Regional Sectors of Excellence in Apprenticeship (SEAs). The regional SEAs will help organize and develop staff sector expertise in providing better customer service to potential apprenticeship sponsors in high-growth industries and occupations within their respective regional areas. This includes encouraging potential and existing sponsors to replicate innovative and proven strategies from existing programs with a long history of demonstrated results. Combining this effort with enhanced partnerships with workforce, secondary and post-secondary education, and community-based organizations, will strengthen the foundation that allows workers to take full advantage of apprenticeship

opportunities.  Meetings with the ACA, which includes more than two dozen representatives of employers, labor organizations, state and local governments, and public organizations, will support these strategic efforts.

## New Technological Approaches

*Develop Information Technology Solutions to Advance Registered Apprenticeship*

To advance into the 21st Century and implement an ambitious expansion plan to register one million apprentices by 2020, the Registered Apprenticeship system must upgrade information technology (IT) tools and infrastructure to increase program efficiency and enhance accountability.

ETA envisions a three phase plan to modernize IT systems in support of an innovative national apprenticeship system:  Phase 1:  Develop a cloud based case management system replace an outdated case management system; Phase 2:  Develop/implement an integrated Customer Service System to automate portions of the registration process for new sponsors; Phase 3:  National Website (apprenticeship.gov), apprenticeship to college portal, and a National Clearinghouse and Exchange to better manage and expand employer and partner networks.

## FY 2014

The 2014 enacted level of $30,000,000 supports 156 FTE as well as other critical operational needs and foundational efforts in FY14 including the following:

- Promotion and outreach activities to raise public and employer awareness of the value and benefits of Registered Apprenticeship;
- Technical Assistance and support to sponsors, stakeholders, and partners, particularly newly awarded grantees; and
- Critical investments to improve IT infrastructure and to develop on-line resources to assist sponsors in the development and registration of apprenticeship programs.

Beginning in 2014, the President will mobilize leaders from business, labor, community colleges and other training providers to boost the number of Registered Apprenticeships in this country and expand the "learn and earn" strategies to other cutting edge fields.  Building on this pledge, the Department may offer grants to support the expansion of high-quality Registered Apprenticeship models across the country.  In support of the President's effort to expand the Registered Apprenticeship model in targeted industries, OA will emphasize the following activities:

# APPRENTICESHIP

## New Programmatic Approaches

*Promoting Registered Apprenticeship-College Partnerships and Pathways*

Increasing articulation agreements between Registered Apprenticeship program sponsors and colleges will create a new pipeline of degree-seekers and enhance the competitiveness of American industry by enlarging the pool of highly-trained workers that possess in-demand skills and competencies.  Under the Registered Apprenticeship-College Consortium (RACC), member institutions will agree to accept the amount of credit that a national, state, regional, or local educational evaluation has suggested as the college credit value of a Registered Apprenticeship program accelerating credential and degree attainment for participations.  Upon its establishment in FY 2014, promoting and expanding the RACC will be a focus in FY 2015.

*Advance the 21$^{st}$ Century Registered Apprenticeship System*

ETA will continue to advance the ACA vision for a 21$^{st}$ Century Registered Apprenticeship system.  Anticipated activities include initiating efforts for a sector-specific and customer-focused consultative sales initiative, providing technical assistance to community-based organizations (CBOs) and the public workforce, education economic development systems to advance a more systematic approach to pre-apprenticeship programs, conducting broad-based business outreach efforts to industry to encourage greater utilization and uptake of Registered Apprenticeship, ensuring program integrity through oversight efforts, and promoting collaboration between program sponsors and community colleges to provide pathways to college credit for apprentices.  Meetings with the ACA, which includes more than two dozen representatives of employers, labor organizations, state and local governments, and public organizations, will support these strategic efforts.

## Process Improvement and Reengineering

*Dialogue and Learning Forums to Strengthen the 21$^{st}$ Century Registered Apprenticeship System*

As part of our foundational efforts in FY 2014, ETA would initiate a series of outreach and engagement activities that would involve administration and industry champions and targeted events and actions.  ETA will host a learning academy, consultations, and webinars that will help states, workforce, education, labor, and business communities to hear about apprenticeship in action from leading experts around the country.  Learning forums will focus on the Administration's Registered Apprenticeship expansion proposals as well as a vision for 21$^{st}$ Century Registered Apprenticeship as articulated by the ACA.

# APPRENTICESHIP

*Initiate Technical Assistance Efforts to Establish Sectors of Excellence in Apprenticeship*

ETA will begin efforts to implement a sector-specific and customer-focused consultative sales initiative.  This outreach effort will build a national dialogue on apprenticeship by including strategies that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like health care, advanced manufacturing, and energy.  These SEAs will support new industry adoption and promote high quality apprenticeship programs.

A core strategy is the implementation of Regional SEAs.  The regional SEAs will help organize and develop staff sector expertise in providing better customer service to potential apprenticeship sponsors in high-growth industries and occupations within their respective regional areas. This includes encouraging potential and existing sponsors to replicate innovative and proven strategies from existing programs with a long history of demonstrated results.  By combining this effort with enhanced partnerships with workforce, secondary and post-secondary education, and community-based organizations, OA will strengthen the foundation that allows workers to take full advantage of apprenticeship opportunities.  Meetings with the ACA, which includes more than two dozen representatives of employers, labor organizations, state and local governments, and public organizations, will support these strategic efforts.

*Advance Registered Apprenticeship Opportunities for women, under-represented, and disadvantaged populations*

In support of the goal of helping workers overcome barriers to the middle class, OA will ensure apprenticeship opportunities for under-represented populations.  These activities include promoting quality pre-apprenticeship strategies, fostering continued collaboration between the workforce, education and the Registered Apprenticeship system, exploring strategies to expand Registered Apprenticeship opportunities for veterans, building stronger connections between Registered Apprenticeship and ETA's Youth and Job Corps programs, and encouraging CBO partnerships with Registered Apprenticeship program sponsors.

Building upon these efforts to increase opportunities for women, under-represented, and disadvantaged populations, the Department will continue to seek to update the National Registered Apprenticeship system's EEO regulations, which have not been revised since 1978.  Through these regulatory updates, developed with considerable stakeholder consultation, OA will support the Department's efforts to break down barriers to fair and diverse work-places so that all qualified women and minorities have access to training and employment in Registered Apprenticeship.

# APPRENTICESHIP

**New Technological Approaches**

*Conduct an Information Technology Readiness Assessment*

To effectively upgrade the program's IT infrastructure, Federal staff will need to first conduct an IT inventory and readiness assessment. The assessment would include a cost benefit analysis of the strengths and weaknesses of Registered Apprenticeship Partners Information Data System (RAPIDS), various stand-alone State Apprenticeship Agency systems, and advanced cloud-based commercial off-the-shelf software currently in the market. Resources would also be used to hire additional contractor support for the case management system, automate the collection of RACC data, and pilot a customer relationship management tool to streamline the process for developing program standards and registering new programs.

## FY 2013

$26,228,000 and 156 FTE were appropriated for Apprenticeship in FY 2013. Major activities in 2013 include:

*Established a Vision for 21st Century Registered Apprenticeship*

Staff within the Office of Apprenticeship worked closely with the Secretary's Advisory Committee on Apprenticeship (ACA) to publish the *21st Century Registered Apprenticeship Vision Report* in June 2013. Staff led several quality discussions on the Vision Report, and used the report to engage the Department and the Secretary on how to advance the Registered Apprenticeship model. The Vision Report provides innovative strategies that promote Registered Apprenticeship as a critical piece of the effort to help keep America competitive in the 21st Century, and set a strategic direction for the Department's role.

*Implemented Revised Regulatory Framework and Provide Technical Assistance*

In FY 2009, the Department published a final rule revising regulations for labor standards for registration of apprenticeship programs (29 CFR part 29). ETA provided technical assistance and direction related to the revised rule to the Registered Apprenticeship, public workforce and the education systems as they developed and implemented new policies and procedures. OA staff performed the functions and responsibilities associated with the final rule in FY 2013, including conducting additional quality reviews for new programs that are provisionally registered, and developing and registering competency-based or hybrid programs.

*Formalized Pre-Apprenticeship*

The Department, in consultation with the ACA, developed a national framework that establishes consistency and quality across pre-apprenticeship programs to support Outcome Goal 1.3: *helping workers who are in low-wage jobs or out of the labor market find a path into middle-*

*class jobs*. On November 30, 2012, the framework was formalized in Training and Employment Notice 13-12, entitled, *defining a Quality Pre-Apprenticeship Program and Related Tools and Resources*. The framework identifies specific minimum elements that should be part of any program that uses the term "pre-apprenticeship." A key part of this framework is defining pre-apprenticeship programs as targeted toward low-skill adults and youth, minorities, and women who have not traditionally benefitted from Registered Apprenticeship or who require additional assistance to qualify for available apprenticeship opportunities.

*Advanced Registered Apprenticeship Opportunities for Transitioning Service Members and Veterans*

The Department coordinated with the Department of Defense and the Military Service Branches to expand opportunities for in-service and transitioning service members to participate in the United Services Military Apprenticeship Program (USMAP). This coordinated effort currently provides 87,600 service members with the access to Registered Apprenticeship opportunities in over 120 occupations. The program helps participants transition to meaningful employment and career paths in high growth and emerging industries. In addition to USMAP, 28,900 veterans nationwide are currently participating in Registered Apprenticeship programs to obtain the skills they need to succeed while earning the wages they need to build financial security.

*Incorporated Registered Apprenticeship in the German Skills Initiative*

The Department provided technical assistance to the German Embassy, German-American manufacturing companies and the German American Chamber of Commerce to assist with the implementation of the German Skills Initiative (currently in 15 states). This initiative has addressed issues related to a shortage of skilled workers in the United States, and identified best practices and training providers that could meet the workforce needs of German companies.

*Established the Registered-Apprenticeship Community College (RACC) consortium*

In a partnership with the Department of Education, ETA launched the RACC – building on the ACA's call to facilitate the articulation of apprenticeship to college credit. Increasing articulation agreements between Registered Apprenticeship program sponsors and colleges will create a new pipeline of degree-seekers and enhance the competitiveness of American industry by enlarging the pool of highly-trained workers that possess in-demand skills and competencies. The national consortium is composed of program sponsors, two- and four-year post-secondary institutions and national, regional and state organizations that represent program sponsors and higher education. Under the consortium, member institutions agree to accept the amount of credit that a national, state, regional, or local educational evaluation has suggested as the college credit value of a Registered Apprenticeship program.

# APPRENTICESHIP

| DETAILED WORKLOAD AND PERFORMANCE | | | | |
|---|---|---|---|---|
| | FY 2013 Enacted | | FY 2014 Enacted | FY 2015 Request |
| | Target | Result | Target | Target |
| **Apprenticeship** | | | | |
| **Strategic Goal 1 - Prepare workers for better jobs** | | | | |
| **Strategic Objective 1.2 - Provide marketable skills and knowledge to increase workers' incomes and help them overcome barriers to the middle class through partnerships among business, education, labor, community organizations, and the workforce system** | | | | |
| ETA-CH1-RA-GPRA-03 — Six Months Average Earnings (Apprenticeship) | $19,999 | $24,171 | $25,201 | $25,642 |
| Active Apprentices | 241,110 | 375,425 | 385,000 | 415,000 |
| Quality Reviews | 1,200 | 1,184 | 1,250 | 1,270 |
| Quality Reviews for new programs one year after provisional registration since December 28, 2008 | 675 | 1,287 | 700 | 725 |
| Cost per Apprentice | $115.00 | $115.00 | $113.00 | $111.00 |
| ETA-RA-01 — National Completion Rate: Percent of an apprenticeship cohort who receives a certificate of apprenticeship completion within one year of the expected completion date. | 40.00% | 44.00% | 45.00% | 46.00% |
| ETA-CH1-RA-GPRA-02 — Employment Retention Rate (Apprenticeship) | 79.60% | 87.50% | 87.70% | 87.70% |

# APPRENTICESHIP

| DETAILED WORKLOAD AND PERFORMANCE | | | | |
|---|---|---|---|---|
| | **FY 2013 Enacted** | | **FY 2014 Enacted** | **FY 2015 Request** |
| | **Target** | **Result** | **Target** | **Target** |
| ETA-OA-01    Number of new or significantly revised Registered Apprenticeship programs | 788[r] | 653 | 675 | 725 |

\* Note in FY 2013, ETA/OA addressed a backlog of reviews pending since 2008; future targets for reviews are in line with new program projections.

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

# APPRENTICESHIP

**Workload and Performance Summary**

The National Apprenticeship System's *critical input* is the FTE allocated to OA; however, other resources for outreach, analysis, information technology, and support for the Secretary's Advisory Committee on Apprenticeship are also critically important. OA's *critical outputs* include: (1) the number of active and new apprentices registered; (2) the number of EEO compliance reviews conducted; (3) the number of quality assurance assessments conducted; (4) the number of new apprenticeship programs registered; and, (5) the number of quality assurance assessment reviews for new programs conducted one year after provisional registration, as required by revised regulations. These outputs translate into measures of workload for OA's staff.

The Department anticipates a significant expansion of the national Registered Apprenticeship system beginning in FY 2016 which will give some time for the $500 million Apprenticeship Training Fund to ramp up and implementation take effect. OA projects a smaller upward trend to be visible in FY 2015 due to an improving economy and promotional efforts that will increase program visibility[9]

In addition to the outputs mentioned above, the Department measures *outcomes* for Registered Apprenticeship through calculation of completion rates and indicators of employment retention and six-month average earnings for participants employed in the first quarter after exit and still employed in the second and third quarter after exit that either completed or cancelled from their program. The completion rate is the percentage of an apprenticeship cohort (group of individual apprentices registered to a specific program during a one year time frame) that receives a certificate of apprenticeship completion within one year of the expected completion date. These indicators demonstrate how the *outputs* of registering new apprentices and apprenticeship programs and ensuring quality in existing programs through reviews and assessments, translate into the *apprentices' outcomes* for getting a good job, retaining that good-paying job, and earning increased wages.

Over several years, the Department has found that the cost to the Department per apprentice ranges between $90 and $120, depending on sponsor demand for new apprentices. This measure is derived by dividing the budget request amount by the projected number of active apprentices managed by OA staff for a given year. The cost per apprentice is only for the Federal functions of oversight and registration of apprenticeship programs and apprentices; it does not reflect the cost of the Registered Apprenticeship programs themselves, which generally are borne by the sponsor.

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[9] This training fund is projected to have a noticeable impact on program expansion and performance measures starting in FY 2016.

# APPRENTICESHIP

| | **BUDGET ACTIVITY BY OBJECT CLASS** (Dollars in Thousands) | | | | |
|---|---|---|---|---|---|
| | | **FY 2013 Enacted** | **FY 2014 Enacted** | **FY 2015 Request** | **Diff. FY15 Request / FY14 Enacted** |
| 11.1 | Full-time permanent | 13,630 | 15,019 | 15,623 | 604 |
| 11.3 | Other than full-time permanent | 64 | 146 | 148 | 2 |
| 11.5 | Other personnel compensation | 10 | 204 | 211 | 7 |
| 11.9 | Total personnel compensation | 13,704 | 15,369 | 15,982 | 613 |
| 12.1 | Civilian personnel benefits | 4,145 | 4,499 | 4,667 | 168 |
| 13.0 | Benefits for former personnel | 2 | 139 | 103 | -36 |
| 21.0 | Travel and transportation of persons | 191 | 198 | 198 | 0 |
| 22.0 | Transportation of things | 0 | 0 | 0 | 0 |
| 23.1 | Rental payments to GSA | 1,356 | 1,090 | 1,116 | 26 |
| 23.2 | Rental payments to others | 1 | 1 | 1 | 0 |
| 23.3 | Communications, utilities, and miscellaneous charges | 193 | 490 | 490 | 0 |
| 24.0 | Printing and reproduction | 119 | 85 | 85 | 0 |
| 25.1 | Advisory and assistance services | 25 | 776 | 776 | 0 |
| 25.2 | Other services from non-Federal sources | 8 | 388 | 3,388 | 3,000 |
| 25.3 | Other goods and services from Federal sources 1/ | 4,271 | 4,327 | 4,149 | -178 |
| 25.4 | Operation and maintenance of facilities | 4 | 4 | 4 | 0 |
| 25.5 | Research and development contracts | 0 | 0 | 0 | 0 |
| 25.7 | Operation and maintenance of equipment | 1,801 | 2,155 | 2,155 | 0 |
| 26.0 | Supplies and materials | 93 | 171 | 171 | 0 |
| 31.0 | Equipment | 290 | 303 | 94 | -209 |
| 42.0 | Insurance claims and indemnities | 25 | 5 | 5 | 0 |
| | **Total** | **26,228** | **30,000** | **33,384** | **3,384** |
| | | | | | |
| 1/Other goods and services from Federal sources | | | | | |
| | Working Capital Fund | 4,186 | 4,061 | 4,133 | 72 |
| | DHS Services | 85 | 67 | 67 | 0 |

# APPRENTICESHIP

## CHANGES IN FY 2015
(Dollars in Thousands)

**Activity Changes**
 **Built-In**
  To Provide For:

| | |
|---|---|
| Costs of pay adjustments | $258 |
| Funds shifted from NPS - PC  4 FTE | 355 |
| Personnel benefits | 64 |
| Funds shifted from NPS - PB  4 FTE | 104 |
| Federal Employees' Compensation Act (FECA) | 0 |
| Benefits for former personnel | -36 |
| Travel and transportation of persons | 0 |
| Transportation of things | 0 |
| Rental payments to GSA | 26 |
| Rental payments to others | 0 |
| Communications, utilities, and miscellaneous charges | 0 |
| Printing and reproduction | 0 |
| Advisory and assistance services | 0 |
| Other services from non-Federal sources | 0 |
| Working Capital Fund | 72 |
| Other Federal sources (Census Bureau) | 0 |
| Other Federal sources (DHS Charges) | 0 |
| Other goods and services from Federal sources | -250 |
| Research & Development Contracts | 0 |
| Operation and maintenance of facilities | 0 |
| Operation and maintenance of equipment | 0 |
| Supplies and materials | 0 |
| Equipment | -209 |
| Insurance claims and indemnities | 0 |
| **Built-Ins Subtotal** | **$384** |
| **Direct FTE** | **4** |
| **Net Program** | **$3,000** |

| | Estimate | FTE |
|---|---|---|
| **Base** | **$30,384** | **156** |
| **Program Increase** | **$3,000** | **0** |
| **Program Decrease** | **$0** | **0** |

# EXECUTIVE DIRECTION

| **BUDGET AUTHORITY BEFORE THE COMMITTEE** | | | | |
|---|---|---|---|---|
| (Dollars in Thousands) | | | | |
| | **FY 2013 Enacted** | **FY 2014 Enacted** | **FY 2015 Request** | **Diff. FY15 Request / FY14 Enacted** |
| **Activity Appropriation** | **8,653** | **9,113** | **9,242** | **129** |
| FTE | 47 | 47 | 48 | 1 |

NOTE: FY 2013 reflects actual FTE. Authorized FTE for FY 2013 was 47.

## Introduction

The budget request provides for the Federal administration of Executive Direction, which are activities administered through ETA's Office of the Assistant Secretary (OASET) and the Office of Policy Development and Research (OPDR). OASET provides overall leadership, policy direction, and management for all of ETA's employment and training programs and research, demonstration, and evaluation activities; as well as provides leadership for related program operations support, such as performance management and policy and legislative development. Performance measures for these activities are discussed in the relevant program activity sections of the budget request.

Through the active engagement of OPDR, the following strategies support outcome results throughout ETA:
- Developing and managing pilot, demonstration, research, and evaluation activities, and analyzing and disseminating results of these activities, both to internal and external audiences;
- Collecting, analyzing, reporting and validating performance data on a regular basis from a variety of sources to create consolidated performance reports critical for agency decision-makers;
- Developing and refining performance measures in alignment with Federal priorities and creating short- and long-term performance goals;
- Setting national performance targets to effectively set the agenda for program performance in accordance with national priorities; and
- Providing legislative support and coordinating the alignment of technical expertise with agency priorities, resources and capacity to improve the effectiveness and efficiency of existing programs, initiatives and policies
- Providing policy and support to develop and implement new initiatives that further the Secretary's priority to promote and protect opportunity for all Americans;
- Coordinating the agency's participation in audits conducted by the GAO;
- Coordinating the agency's regulatory activities and ensuring that they align with Departmental priorities; and
- Coordinating the dissemination of agency guidance to communicate policy direction, publication of research and evaluation findings to improve service delivery strategies, and the availability of tools and resources to support continuous improvement of programs.

# EXECUTIVE DIRECTION

**Five-Year Budget Activity History**

| Fiscal Year | Funding | FTE |
|:-:|:-:|:-:|
| | (Dollars in Thousands) | |
| 2010 | $9,166 | 47 |
| 2011 | $9,148 | 47 |
| 2012 | $9,131 | 47 |
| 2013 | $8,653 | 47 |
| 2014 | $9,113 | 47 |

## FY 2015

The 2015 request of $9,242,000 supports 48 FTE to continue work on ETA and Departmental initiatives including policy and legislative functions associated with implementation of WIA reauthorization, provide critical leadership to the agency on policy issues including support the execution of the agency's regulatory agenda, and project management for continuing research and evaluation efforts. This leadership and support is critical to the program offices as they implement their strategies to achieve the Department's performance goals.

Through the active engagement of OASET and OPDR, ETA leadership, office administrators and program officials are given actionable intelligence to help assist them in assessing and improving the operation, effectiveness, and efficiency of the public workforce system.

This intelligence is obtained by OPDR conducting pilots, demonstrations, research and evaluations in cooperation with the Department's Chief Evaluation Office; interpreting the findings, conclusions and recommendations into usable information; and disseminating reports and summaries to inform policy and program decision-making. Pilots and demonstrations of promising workforce development interventions and strategies enable ETA to determine if they are effective means of providing workforce system customers temporary income support while unemployed, reemployment services, and job training and can be replicated and brought to scale. Rigorous evaluations enable ETA to measure the impact of existing workforce development strategies.

OPDR also manages ETA program performance reporting and analysis; publishes performance data and provides the tools that grantees use for data collection, validation, and performance reporting; and develops and publishes guidance letters and notices to inform the workforce system of new or revised reporting requirements. In doing so, OPDR provides ETA leadership and stakeholders with the timely and relevant feedback that supports good decision making.

Through legislative support activities, OPDR helps position the agency to provide leadership on legislative proposals that further the Department's goals. It also helps to identify and influence proposals in the Congress that, if enacted, could positively or negatively impact the agency's ability to reach its outcome goals. OPDR also ensures that the Department and ETA priorities and expertise contribute to the development of policies, including regulations, legislation and new programs government-wide. OPDR also coordinates the dissemination of all agency

guidance, ensuring that the public workforce system receives timely information on program policies and direction, the publication of research and evaluation findings, and the availability of technical assistance tools and resources.

## FY 2014

The 2014 appropriation of $9,113,000 supports 47 FTE to continue work on ETA and Departmental initiatives including policy and legislative functions associated with implementation of WIA reauthorization, support for executing the agency's regulatory agenda, providing critical leadership to the agency on policy and regulatory issues, and project management for continuing research and evaluation efforts. This leadership and support is critical to the program offices as they implement their strategies to achieve the Department's performance goals.

Significant OPDR Activities during FY 2014 include:

- Coordinating ETA's veterans employment and training activities, including the implementation of several provisions of the VOW to Hire Heroes Act of 2011 and the Jobs for Veterans State Grant program refocusing effort;
- Providing technical and legislative support to the Congress as they work towards reauthorization of WIA;
- Serving as the liaison to the Government Accountability Office (GAO) and coordinating ETA's participation in GAO audits;
- Monitoring and developing ETA's strategic and program performance plans and targets, and disseminating performance results;
- Coordinating efforts on wage record information exchanges and development of longitudinal data systems;
- Disseminating lessons learned from pilots to share aggregate wage information with WIA workforce partners;
- Supporting the development of regulations as outlined in the Regulatory Agenda;
- Developing the annual update to the ETA Five-Year Learning Agenda in collaboration with the Department's Office of the Chief Evaluation Officer;
- Finalizing and disseminating 15 research and evaluation reports; and
- Disseminating agency guidance the public workforce system and partners.

## FY 2013

The 2013 enacted of $8,653,121 supported 47 FTE to continue work on ETA and Departmental initiatives including policy and legislative functions associated with implementation of WIA reauthorization, support for executing the agency's regulatory agenda, providing critical leadership to the agency on policy and regulatory issues, and project management for continuing

research and evaluation efforts. This leadership and support is critical to the program offices as they implement their strategies to achieve the Department's performance goals.

Significant OPDR Activities during FY 2013 included:

- Coordinating ETA's implementation of several provisions of the VOW to Hire Heroes Act of 2011;
- Providing technical and legislative support to the Congress as they work towards reauthorization of WIA;
- Serving as the liaison to the Government Accountability Office (GAO) and coordinating ETA's participation in GAO audits;
- Completed and publically released *the Five-Year Research and Evaluation Strategic Plan Program Years 2012-2017*, to the public and transmitted to Congressional Committee Chairs and Ranking Members in Congress; as required by Section 171 of the Workforce Investment Act of 1998.
- Publically released the final report: *Implementation of the American Recovery and Reinvestment Act: Workforce Development and Unemployment Insurance Provisions*. This is a comprehensive narrative report on the Public Workforce System's implementation of the American Recovery and Reinvestment Act.
- Monitoring and developing ETA's strategic and program performance plans and targets, and disseminating performance results;
- Coordinating efforts on wage record information exchanges and development of longitudinal data systems;
- Disseminating lessons learned from pilots to share aggregate wage information with WIA workforce partners;
- Supporting the development of regulations as outlined in the Regulatory Agenda;
- Developing the annual update to the ETA Five-Year Learning Agenda in collaboration with the Department's Office of the Chief Evaluation Officer;
- Finalizing and disseminating 15 research and evaluation reports; and
- Disseminating agency guidance the public workforce system and partners.

# EXECUTIVE DIRECTION

| | | **FY 2013 Enacted** | **FY 2014 Enacted** | **FY 2015 Request** | **Diff. FY15 Request / FY14 Enacted** |
|---|---|---|---|---|---|
| | **BUDGET ACTIVITY BY OBJECT CLASS** | | | | |
| | (Dollars in Thousands) | | | | |
| 11.1 | Full-time permanent | 4,817 | 4,571 | 4,752 | 181 |
| 11.3 | Other than full-time permanent | 215 | 312 | 315 | 3 |
| 11.5 | Other personnel compensation | 3 | 64 | 66 | 2 |
| 11.8 | Special personal services payments | 0 | 0 | 0 | 0 |
| 11.9 | Total personnel compensation | 5,035 | 4,947 | 5,133 | 186 |
| 12.1 | Civilian personnel benefits | 1,525 | 1,382 | 1,436 | 54 |
| 13.0 | Benefits for former personnel | 1 | 41 | 30 | -11 |
| 21.0 | Travel and transportation of persons | 51 | 46 | 46 | 0 |
| 22.0 | Transportation of things | 0 | 0 | 0 | 0 |
| 23.1 | Rental payments to GSA | 445 | 684 | 696 | 12 |
| 23.2 | Rental payments to others | 1 | 0 | 0 | 0 |
| 23.3 | Communications, utilities, and miscellaneous charges | 60 | 0 | 0 | 0 |
| 24.0 | Printing and reproduction | 100 | 25 | 25 | 0 |
| 25.1 | Advisory and assistance services | 0 | 127 | 127 | 0 |
| 25.2 | Other services from non-Federal sources | 3 | 25 | 25 | 0 |
| 25.3 | Other goods and services from Federal sources 1/ | 1,235 | 1,002 | 1,024 | 22 |
| 25.4 | Operation and maintenance of facilities | 1 | 1 | 1 | 0 |
| 25.5 | Research and development contracts | 0 | 0 | 0 | 0 |
| 25.7 | Operation and maintenance of equipment | 71 | 561 | 561 | 0 |
| 26.0 | Supplies and materials | 96 | 109 | 109 | 0 |
| 31.0 | Equipment | 29 | 162 | 28 | -134 |
| 42.0 | Insurance claims and indemnities | 0 | 1 | 1 | 0 |
| | **Total** | **8,653** | **9,113** | **9,242** | **129** |
| | | | | | |
| | 1/Other goods and services from Federal sources | | | | |
| | Working Capital Fund | 1,207 | 956 | 978 | 22 |
| | DHS Services | 28 | 42 | 42 | 0 |

# EXECUTIVE DIRECTION

## CHANGES IN FY 2015
(Dollars in Thousands)

**Activity Changes**
  **Built-In**
    To Provide For:

| | |
|---|---:|
| Costs of pay adjustments | $84 |
| Funds shifted from NPS - PC  1 FTE | 102 |
| Personnel benefits | 22 |
| Federal Employees' Compensation Act (FECA) | 0 |
| Funds shifted from NPS - PB  1 FTE | 32 |
| Benefits for former personnel | -11 |
| Travel and transportation of persons | 0 |
| Transportation of things | 0 |
| Rental payments to GSA | 12 |
| Rental payments to others | 0 |
| Communications, utilities, and miscellaneous charges | 0 |
| Printing and reproduction | 0 |
| Advisory and assistance services | 0 |
| Other services from non-Federal sources | 0 |
| Working Capital Fund | 22 |
| Other Federal sources (Census Bureau) | 0 |
| Other Federal sources (DHS Charges) | 0 |
| Other goods and services from Federal sources | 0 |
| Research & Development Contracts | 0 |
| Operation and maintenance of facilities | 0 |
| Operation and maintenance of equipment | 0 |
| Supplies and materials | 0 |
| Equipment | -134 |
| Insurance claims and indemnities | 0 |
| **Built-Ins Subtotal** | **$129** |
| **Direct FTE** | **1** |
| | |
| **Net Program** | **$0** |

| | Estimate | FTE |
|---|:---:|:---:|
| **Base** | **$9,242** | **47** |
| | | |
| **Program Increase** | **$0** | **0** |
| **Program Decrease** | **$0** | **0** |