

FY 2022

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Program Administration

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PROGRAM ADMINISTRATION

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PROGRAM ADMINISTRATION

APPROPRIATION LANGUAGE

For expenses of administering employment and training programs, [\$108,674,000] \$144,497,000, together with not to exceed [\$49,982,000] \$67,006,000 which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund.

(Department of Labor Appropriations Act, 2021)

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AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2020 Revised Enacted		FY 2021 Enacted		FY 2022 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	388	\$108,674	394	\$108,674	448	\$144,497
CARES Act 2020, P.L 116-136	7	\$4,000	0	\$0	0	\$0
American Rescue Plan Act of 2021, P.L. 117-2	0	\$0	10	\$8,000	0	\$0
<i>Subtotal Appropriation</i>	<i>395</i>	<i>\$112,674</i>	<i>404</i>	<i>\$116,674</i>	<i>448</i>	<i>\$144,497</i>
Offsetting Collections From:						
Reimbursements	35	\$4,765	43	\$6,306	45	\$6,306
Trust Funds	222	\$49,982	203	\$49,982	229	\$67,006
<i>Subtotal Offsetting Collections</i>	<i>257</i>	<i>\$54,747</i>	<i>246</i>	<i>\$56,288</i>	<i>274</i>	<i>\$73,312</i>
B. Gross Budget Authority	652	\$167,421	650	\$172,962	722	\$217,809
CARES Act 2020, P.L 116-136	-7	-\$4,000	0	\$0	0	\$0
American Rescue Plan Act of 2021, P.L. 117-2	0	\$0	-10	-\$8,000	0	\$0
Offsetting Collections						
Reimbursements	-35	-\$4,765	-43	-\$6,306	-45	-\$6,306
<i>Subtotal Deduction</i>	<i>-42</i>	<i>-\$8,765</i>	<i>-53</i>	<i>-\$14,306</i>	<i>-45</i>	<i>-\$6,306</i>
C. Budget Authority Before Committee	610	\$158,656	597	\$158,656	677	\$211,503
CARES Act 2020, P.L 116-136	7	\$4,000	0	\$0	0	\$0
American Rescue Plan Act of 2021, P.L. 117-2	0	\$0	10	\$8,000	0	\$0
Carryover of Supplemental Appropriations Cares Act	0	\$0	23	\$3,715	0	\$0
Carryover of Supplemental Appropriations ARP Act	0	\$0	0	\$0	24	\$4,000
<i>Subtotal Appropriations plus Carryover Funds</i>	<i>7</i>	<i>\$4,000</i>	<i>33</i>	<i>\$11,715</i>	<i>24</i>	<i>\$4,000</i>
Offsetting Collections From:						
Reimbursements	35	\$4,765	43	\$6,306	45	\$6,306
<i>Subtotal Offsetting Collections</i>	<i>35</i>	<i>\$4,765</i>	<i>43</i>	<i>\$6,306</i>	<i>45</i>	<i>\$6,306</i>
D. Total Budgetary Resources	652	\$167,421	673	\$176,677	746	\$221,809
FTE and Unobligated Balance Expiring 0172 2021/2021	-14	-\$277	0	\$0	0	\$0
CARES Act 2020, Apportioned unused FTE/Funds Carried Over	-4	-\$3,715	0	\$0	0	\$0
Reimbursable Apportioned: FTE/funds unused/uncollected	-15	-\$1,888	0	\$0	0	\$0
E. Total, Estimated Obligations	619	\$161,541	673	\$176,677	746	\$221,809

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2021 Enacted	FY 2022 Request	Net Change
Budget Authority			
General Funds	\$108,674	\$144,497	+\$35,823
Trust Funds	\$49,982	\$67,006	+\$17,024
Total	\$158,656	\$211,503	+\$52,847
 Full Time Equivalents			
General Funds	394	448	54
Trust Funds	203	229	26
Total	597	677	80

FY 2022 Change

Explanation of Change	FY 2021 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	597	\$73,608	0	\$647	0	\$1,406	0	\$2,053
Personnel benefits	0	\$24,677	0	\$347	0	\$755	0	\$1,102
Federal Employees' Compensation Act (FECA)	0	\$340	0	\$3	0	\$7	0	\$10
Benefits for former personnel	0	\$19	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$580	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$0	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$5,648	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$1	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$259	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$100	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$100	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$1,861	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$27,294	0	\$830	0	\$2,255	0	\$3,085
Other Federal sources (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$0	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$15,186	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0

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FY 2022 Change

Explanation of Change	FY 2021 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Operation and maintenance of facilities	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$8,586	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$376	0	\$0	0	\$0	0	\$0
Equipment	0	\$13	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$8	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	597	+\$158,656	0	+\$1,827	0	+\$4,423	0	+\$6,250
B. Programs:								
Restoration of Staff and Staff to Manage New Programs	0	\$0	26	\$8,049	54	\$14,009	80	\$22,058
Absorb Staff and Contract Inflationary Cost	0	\$0	0	\$4,184	0	\$4,912	0	\$9,096
HHS Grant Solutions	260	\$83,070	0	\$0	0	\$9,000	0	\$9,000
Absorb Cost for IT Development	0	\$0	0	\$2,964	0	\$3,479	0	\$6,443
Programs Subtotal			26	+\$15,197	54	+\$31,400	80	+\$46,597
Total Increase	597	+\$158,656	26	+\$17,024	54	+\$35,823	80	+\$52,847
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Decrease	0	\$0	0	\$0	0	\$0	0	\$0
Total Change	597	+\$158,656	26	+\$17,024	54	+\$35,823	80	+\$52,847

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	FY 2020 Revised Enacted		FY 2021 Enacted		FY 2022 Request		Diff. FY22 Request / FY21 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Training and Employment	264	70,679	263	70,679	298	96,019	35	25,340
General Funds	224	62,040	223	62,040	253	84,907	30	22,867
Unemployment Trust Funds	40	8,639	40	8,639	45	11,112	5	2,473
Workforce Security	164	42,704	163	42,704	185	57,472	22	14,768
General Funds	21	3,440	11	3,440	13	3,987	2	547
Unemployment Trust Funds	143	39,264	152	39,264	172	53,485	20	14,221
Apprenticeship	124	36,160	133	36,160	151	47,272	18	11,112
General Funds	124	36,160	133	36,160	151	47,272	18	11,112
Executive Direction	44	9,113	38	9,113	43	10,740	5	1,627
General Funds	32	7,034	27	7,034	31	8,331	4	1,297
Unemployment Trust Funds	12	2,079	11	2,079	12	2,409	1	330
Total	596	158,656	597	158,656	677	211,503	80	52,847
General Funds	401	108,674	394	108,674	448	144,497	54	35,823
Unemployment Trust Funds	195	49,982	203	49,982	229	67,006	26	17,024

NOTE: 2020 reflects actual FTE.

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BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
	Full-Time Equivalent				
	Full-time Permanent	610	597	677	80
	Reimbursable	35	43	45	2
	Total	645	640	722	82
	Average ES Salary	\$182,640	\$186,110	\$191,135	\$5,025
	Average GM/GS Grade	13	13	13	0
	Average GM/GS Salary	\$110,855	\$112,961	\$116,011	\$3,050
11.1	Full-time permanent	79,876	71,118	87,308	16,190
11.3	Other than full-time permanent	387	327	327	0
11.5	Other personnel compensation	1,390	2,163	2,163	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	81,653	73,608	89,798	16,190
12.1	Civilian personnel benefits	26,105	25,017	30,746	5,729
13.0	Benefits for former personnel	36	19	19	0
21.0	Travel and transportation of persons	2,042	580	2,200	1,620
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	9,305	5,648	5,648	0
23.2	Rental payments to others	0	1	1	0
23.3	Communications, utilities, and miscellaneous charges	385	259	359	100
24.0	Printing and reproduction	150	100	250	150
25.1	Advisory and assistance services	300	100	100	0
25.2	Other services from non-Federal sources	2,397	1,861	2,639	778
25.3	Other goods and services from Federal sources 1/	23,991	42,480	60,661	18,181
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	11,948	8,586	18,273	9,687
26.0	Supplies and materials	264	376	788	412
31.0	Equipment	72	13	13	0
42.0	Insurance claims and indemnities	8	8	8	0
	Total	158,656	158,656	211,503	52,847
	1/Other goods and services from Federal sources				
	Working Capital Fund	22,880	27,294	30,379	3,085
	DHS Services	480	0	0	0
	HHS Services	0	0	9,000	9,000
	Census Services	571	0	0	0
	Services by Other Government Departments	0	15,186	21,282	6,096

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APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2012					
Base Appropriation...1/	\$159,882			\$147,081	784
2013					
Base Appropriation...2/	\$147,613			\$139,388	766
2014					
Base Appropriation	\$149,617			\$153,311	758
2015					
Base Appropriation	\$155,563			\$154,559	765
2016					
Base Appropriation	\$176,564	\$158,368	\$144,017	\$154,559	770
2017					
Base Appropriation	\$180,826			\$158,656	753
2018					
Base Appropriation...3/	\$154,265	\$156,348		\$158,656	726
2019					
Base Appropriation...4/	\$154,265		\$158,656	\$158,656	713
2020					
Base Appropriation...5/6/	\$154,265	\$158,656		\$158,656	610
2021					
Base Appropriation...6/	\$171,600			\$158,656	597
2022					
Base Appropriation	\$211,503				677

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

2/ 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.

3/ This Bill was passed by the House.

4/ This bill was passed by the Senate. It was passed out of the House Subcommittee but was not reported out of the House Committee or by the full House.

5/ This bill was passed by the House. It was not taken up by the Senate Appropriations Subcommittee or the full Senate Appropriations Committee.

6/ FTE for FY 2020 and FY 2021 reflect the Shared Services realignment.

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OVERVIEW

The Program Administration (PA) appropriation provides for Federal oversight and administration of most Employment and Training Administration (ETA) programs. The FY 2022 request is \$211,503,000 and an estimated 677 full time equivalent (FTE) positions.

The Department requests to increase the PA budget activities overall by \$52.8 million with an FTE increase of 80. This increase is critical for ETA to maintain program operations and oversight capacity, appropriately manage and oversee new programs and increased funding levels, and provide timely information to stakeholders, including grantees, Congress, GAO, and the public. The requested increase includes:

- \$22 million to fund increased FTE levels associated with new programs, additional grant funding, oversight of COVID-related supplemental funding, and to partially restore FTE capacity that has been lost over the last several years;
- \$9.1 million to absorb increases in contracts and other staff-related costs;
- \$9 million to fund ETA's transition and the first year of operations and maintenance costs under the Health and Human Services (HHS) GrantSolutions IT system for grants management;
- \$6.4 million to continue IT Development for Grantee Performance Management System (GPMS), Petition Automated Workflow System (PAWS), electronic-Core Monitoring Guide (E-CMG), and funds to support increased IT costs; and
- \$6.3 million of built-in increases for inflationary cost related to compensation and benefits for existing staff, FECA increases, rent and Working Capital Funds.

PA's budget authority has not increased since FY 2017, and even longer in the case of certain budget activities (e.g. Workforce Security and Executive Direction), despite multiple pay raises, increases to non-personnel administrative costs, and new requirements, including implementing and overseeing funding increases, new statutory requirements, provisions and funding from supplemental appropriations. In addition, ETA continues to fund and support shared service consolidation of IT, human resources and procurement staff, along with the Department's space optimization efforts.

ETA has seen net decreases in FTE utilization in recent years; however, more recently hiring on the PA account has picked up, attrition has slowed, and ETA anticipates operating near ceiling by early FY 2021. In FY 2022, the requested increase in funding will allow ETA to strategically backfill half of the positions that have been lost since 2017 and better support ETA's ability to measure and mitigate improper payments, improve or revamp technical assistance, and provide sound oversight of ETA's programs.

Federal staff in the national office and six regional offices provide leadership and policy direction, oversight and performance management, technical assistance to grantees, administrative infrastructure and customer-oriented workforce tools, funds management, and administration for programs under the Workforce Innovation and Opportunity Act (WIOA), the National Apprenticeship Act, and the Trade Act of 1974. The PA appropriation also finances staff to carry out similar responsibilities for Unemployment Insurance (UI), the Employment Service (ES), and the Work Opportunity Tax Credits (WOTC). The PA account will also be the

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primary source of funding for DOL's administration of President Biden's American Jobs Plan workforce development investments.

Federal staff also provide administrative support for financial management and administrative services, including grants management services for the entire Department of Labor (Department).

The Department expends much of ETA's appropriated funding through grants that implement critical workforce programs and other investments administered and managed by ETA. As of October 1, 2020, ETA had approximately 2,374 active grants, consisting of 1,880 grants assigned to 155 regional Federal Project Officers (FPOs) and 494 grants assigned to 12 national FPOs, with a total funding portfolio of \$24 billion. To ensure grantees remain on track to meet performance goals, the Department monitors grantee performance by looking at system outputs (such as the number of people who received training) and outcomes (such as the number of people trained who were in unsubsidized employment two quarters after exit from the program). ETA regional offices monitor grant activity and assess performance through a variety of processes, which include on-boarding/risk assessments of all new grantees, quarterly desk reviews of all grantees, and onsite monitoring reviews or enhanced desk monitoring reviews (EDMR) as needed. Through onsite monitoring reviews and EDMRs, ETA strives to monitor 26 percent of all active grants each year. In addition to monitoring, Federal staff conduct on-site technical assistance visits as needed.

Federal staff work closely with grantees and other partners, including apprenticeship employers and program sponsors, to maximize program effectiveness, document and disseminate issues and improvements, coordinate training curricula, develop Federal policies and priorities, and support the activity of the Department in the field.

The Department, in partnership with states, will continue to maintain a viable and strong safety net that provides timely and accurate income support to eligible workers. The Department will also continue maintaining its focus on improving the integrity of the UI System, working with states to improve their prevention, detection, and recovery of improper payments, helping states to implement more resilient IT systems and support, reducing fraud, and strengthening overall program performance.

As Registered Apprenticeship continues to expand to historic levels over the past decade and as Congress provides increased funding for apprenticeship, demand and workload has also increased dramatically. Federal staff will continue to manage all aspects of apprenticeship operations in the 25 federally managed States, quality assurance for approximately 10,000 federally registered programs, as well as conducting oversight for the remaining federally-recognized State Apprenticeship Agencies. As the Department continues to address the growing challenge of equipping Americans with the skills and tools to obtain good jobs and build their careers, it will focus on the expansion and enhancement of Registered Apprenticeship programs.

On March 27, 2020, Congress appropriated \$15 million to the Department under P.L. 116-136, the Coronavirus Aid, Relief, and Economic Security Act, of which ETA received \$4 million for administration of COVID-19 response through FY 2022. On March 11, 2021, Congress

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appropriated under P.L. 117-2, the American Rescue Plan Act, \$8 million to remain available to the Department until expended for necessary expenses to carry out Federal activities relating to the administration of unemployment compensation programs.

The Department continues to request authority to make the following transfers: 1) transfer funds made available to ETA either directly or through a set-aside, for technical assistance services to grantees to PA when it is determined that those services will be more efficiently performed by Federal employees; and 2) transfer 0.5 percent of funds made available to ETA to PA to carry out program integrity activities that lead to a reduction in improper payments or prevent the unauthorized use of funds. The Department is requesting legislative language allowing funds transferred to carry out program integrity activities to be available for obligation through grants, cooperative agreements, contracts, and other arrangements with States and other appropriate entities. The proposed language would allow the Department to undertake a broader range of effective strategies with funds transferred under this section to carry out program integrity activities. The PA account to which these funds are transferred currently does not include authority to enter into grants or cooperative agreements.

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WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2020 Revised Enacted		FY 2021 Enacted	FY 2022 Request
		Target	Result	Target	Target
OGM/Grants Management					
Strategic Goal 11 - Build Opportunity and Equity for All					
Strategic Objective 1.1 - Advance training, employment, and return-to-work opportunities that connect workers to higher-wage jobs, especially in ways that address systemic inequities.					
ETA-RO-01	Percent of active grant projects that receive a desk review within 30 days after the grantee reports are due.	98.5%[r]	99.9%	100.0%	100.0%
ETA-RO-02	Percent of grants monitored by regional offices annually.	26.0%	24.7%	26.0%	26.0%

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

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Workload and Performance Summary

With approximately 2,374 active formula and discretionary grants, ETA has taken steps to implement a tiered approach to grants management. The first tier is on-boarding and risk assessment. On-boarding/initial risk assessments are conducted on all new discretionary grants. FPOs conduct this assessment to determine the grantee's ability to fulfill the terms of its grant proposal based on key criteria outlined in our new on-boarding requirements and a standardized risk assessment tool.

The second tier is the quarterly desk review, which is an evaluation of the grantee's "risk" level at the close of the quarter. All grants are scheduled to receive a quarterly desk review within 30 days of the grantee submitting their quarterly report. The quarterly desk review provides a basic assessment of the grantee's overall programmatic and financial performance, which is then used as a proxy for the management of grant resources. The review is based on the grant's quarterly performance data, financial report, and written program specific narrative(s), as well as regional office insight obtained through technical assistance and interactions with the grantee. Risk status can change during a quarterly desk review.

The third tier is an Enhanced Desk Monitoring Review or EDMR, which provides a more intense review of a grantee. Additional questionnaires are used along with grantee staff interviews. EDMRs are completed on an as needed basis when engagement with a grantee needs to be elevated but also for other reasons, such as when an on-site review is not possible because of limited resources.

The fourth tier of grants management is a comprehensive on-site review at the grantee's location and may take one to three weeks to complete. On-site reviews may require one or a team of Federal staff depending on the size, risk, and complexity of the grant(s) reviewed and the management/performance issues noted through regular risk assessments. Depending on resources, on-site reviews are typically conducted at least once during the life of a discretionary grant and once every 3-4 years for formula grants. On-site reviews include in-depth reviews of grantee financial, administrative and reporting systems; participant files; policies and procedures; and statements of work. They also include interviews with grantee staff and program participants.

Each EDMR and on-site review results in a written monitoring report that is provided to the grantee, and outlines any issues, concerns, or promising practices and actions needed to be taken by grantees to come into compliance with the grant program and financial requirements.

In FY 2020, ETA monitored 24.69 percent of all active grants assigned to the regions, missing the targeted 26 percent. Regions completed 433 Monitoring Reviews with 188 staff. This number is lower than the number of grants with elevated risk status in FY 2020, which was 446.

TRAINING AND EMPLOYMENT

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
Activity Appropriation	70,679	70,679	96,019	25,340
FTE	264	263	298	35

NOTE: FY 2020 reflects actual FTE. Authorized FTE for FY 2020 was 282.

Introduction

This budget activity provides for the Federal administration of programs administered by ETA including: WIOA Adult, Youth, and Dislocated Worker employment and training activities; the TAA program; and competitive grant programs, including INA, Migrant and Seasonal Farmworker, YouthBuild, REO, SCSEP, and H-1B funded competitive grants. The Budget also proposes new programs that ETA would administer under this budget activity, including the National Youth Employment Program, Veterans' Clean Energy Program, a new initiative as part of the new Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization, and several new workforce development programs that are part of President Biden's American Jobs Plan.

Federal staff work in the national and regional offices, and include numerous 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 to ensure that grantees are operating under the law and the guidance of their statements of work. This budget activity also provides for indirect staff support that performs grants management and oversight, financial management, and administrative services.

Federal staff also provide coordination, technical assistance, and policy implementation for the workforce system. The combination of grant oversight, support, and direction provided to grantees contributes to the more effective, efficient operation of the workforce development system. Quality service delivery to customers improves their chances of obtaining the training and skills necessary to enter and retain high-quality, higher paying jobs.

WIOA Formula Grant Programs

Federal staff administer grants, prepare program guidance, monitor program implementation, oversee the reporting system, track grantee performance, provide technical assistance to grantees, and oversee distribution and tracking of program resources. Staff also develop and operate web tools that provide job, career, and workforce services information to workers, job seekers, and employers.

TRAINING AND EMPLOYMENT

National Youth Employment Program, Veterans' Clean Energy Program, Power+ follow-on program, and American Jobs Plan Workforce Development Programs

These new initiatives proposed by the administration will require additional federal staff to administer grants, prepare program guidance, monitor program implementation, provide technical assistance, and track grantee performance.

Indian and Native American (INA) Programs

Federal staff who administer the Indian and Native American Programs administer and negotiate grants, prepare program guidance, monitor program implementation, oversee the reporting system, track grantee performance versus program targets, provide technical assistance to grantees, review grant plans, oversee the distribution of program resources, and perform other activities to support the program. Staff also support the Native American Employment and Training Council, established by WIOA and preceding legislation, and act as a resource on a broad range of issues impacting Native Americans.

Migrant and Seasonal Farmworker Program

Federal staff who oversee the National Farmworker Jobs Program write grant solicitations, negotiate and administer grants, prepare program guidance, set policy direction, monitor program implementation, oversee the reporting system, track grantee performance, provide technical assistance to grantees, and oversee distribution of program resources. The Department is requesting an increase to this program, which will require additional staff support to monitor and provide technical assistance to an expanded grantee pool.

YouthBuild Program

Federal staff who oversee the YouthBuild program write grant solicitations, negotiate and administer grants, prepare program guidance, set policy direction, monitor program implementation, oversee the reporting system, track grantee performance, provide technical assistance to grantees, and oversee distribution of program resources. The Department is requesting an increase to this program, which will require additional staff support to monitor and provide technical assistance to an expanded grantee pool.

Reentry Employment Opportunities (REO)

Federal staff who oversee the REO programs write grant solicitations, negotiate and administer grants, prepare program guidance, set policy direction, monitor program implementation, oversee the reporting system, track grantee performance, provide technical assistance to grantees, and oversee distribution of program resources. In addition, staff administer the Federal Bonding program and act as a resource on a broad range of issues impacting justice-involved citizens. The Department is requesting an increase to this program, which will require additional staff support to monitor and provide technical assistance to an expanded grantee pool.

TRAINING AND EMPLOYMENT

Senior Community Service Employment Program (SCSEP)

Federal staff who oversee SCSEP write grant solicitations, negotiate and administer grants, prepare program guidance, monitor program implementation, oversee the reporting system, track grantee performance versus program targets, provide technical assistance to grantees, and oversee the distribution of program resources. In addition, staff act as a resource on a broad range of issues impacting older workers, including employer outreach efforts.

Trade Adjustment Assistance (TAA)

Federal staff administering TAA conduct group eligibility determinations for workers adversely affected as a result of foreign trade; provide oversight to state workforce agencies for assistance in administering TAA Program benefits and services; and deliver timely technical assistance and information to stakeholders about TAA Program operations. The primary responsibilities of TAA staff are conducting investigations and issuing determinations of petitions for group eligibility; providing technical assistance; writing and issuing program and policy guidance; allocating grant funds; and managing performance and accountability results.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2017	\$70,679	316
2018	\$70,679	309
2019	\$70,679	300
2020	\$70,679	282
2021	\$70,679	263

FY 2022

The FY 2022 Budget includes \$96,019,000 and 298 FTE for Training and Employment – an increase of \$25,340,000 and 35 FTE over the FY 2021 enacted amount.

The Department requests additional funding and FTE to support new programs, manage funding increases to existing competitive grant programs, and build back federal staff lost in recent years. Through President Biden’s American Jobs Plan, the Budget proposes \$74 billion in transformational workforce development investments, to be expended over the next 10 years. This Budget also proposes \$268 million in new discretionary grant programs and program increases to competitive grant programs administered by federal staff funded by this budget activity. As the account responsible for DOL’s administration of these new programs, ETA PA will require significantly enhanced resources. In addition to program implementation and oversight, these resources will support customer relationship management for our field offices and relations with states; external communications regarding ETA programs; and project management/change management to ensure initiatives move forward quickly, with consistent quality and proper engagement both inside and outside ETA.

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The Department projects the funds appropriated through the CARES Act to support administration, monitoring, and technical assistance of \$345 million in National Dislocated Worker grants associated with the pandemic will be fully expended by April 2022, but staff requirements will exist through FY 2023 and there will likely be additional grant activities beyond that. These grants are currently available to grantees through the end of FY 2022, and based on historical precedent could be extended. Grant closeout and other program related activities will be active well into FY 2023 and potentially beyond.

PA's budget authority has not increased since FY 2017 for FTEs to administer the federally managed programs, and longer in the case of certain budget activities (e.g. Workforce Security and Executive Direction), despite multiple personnel pay raises, increases in personnel benefits (Federal Employees Retirement Systems (FERS) and Federal Employees Compensation Act (FECA) adjustments, increases to non-personnel administrative costs, and new requirements, including implementing new provisions and funding from supplemental appropriations acts. Approximately \$2.8 million of the requested increase will fund built-in increases supporting a 2.7 percent pay raise and 1 percent FERS benefit increase, FECA adjustments, rent increases and WCF inflationary costs. Additionally, the Department requests \$2.2 million to absorb personnel pay and benefits increases associated with 18 staff (and contract inflationary costs) who transitioned in FY 2020 to support the Department's Shared Services initiative.

ETA has seen net decreases in FTE utilization in recent years; however, more recently hiring has picked up, attrition has slowed, and ETA anticipates operating near ceiling by early FY 2022. ETA is requesting \$9.8 million to strategically backfill 35 FTE lost since 2017 and better support ETA's ability to restore program oversight and grants management functions. The importance of adequate infrastructure to competently administer programs funded with taxpayer dollars was particularly visible when the Department worked to respond to unprecedented demand for unemployment insurance. The Department seeks to adequately oversee the investments associated with reemployment and recovery as well.

The additional funding will also increase the Department's capacity to execute the following tasks, which have become more difficult to execute timely with staff attrition:

- Timely completion of grant closeouts and audit resolutions
- Timely risk identification among grantees, grant monitoring, intense technical assistance for at-risk grants, as well as addressing grants awarded with conditions that must be resolved. Resolving conditions is very staff intensive. Time spent resolving conditions reduces non-compliances in the award, but takes away time from other risk management activities. Increased staffing will result in additional reviews being conducted, better securing ETA's investments and ensuring all grants with elevated risks can be reviewed.
- As a result of the impacts of the COVID-19 pandemic on grant operations, many grantees have lower performance outcomes. The additional resources will increase the Department's ability to provide intensive technical assistance to states and grantees struggling to adapt grant operations to a virtual environment, to complete all deliverables, and to achieve grant performance goals. The additional resources will increase the Department's ability to engage in risk mitigation and eliminate waste, fraud, and abuse.
- Additional funds will allow the Department to meet the statutory requirement for 40 day processing of TAA petitions and normalize investigations. Timely certification of trade

TRAINING AND EMPLOYMENT

petitions will allow workers faster access to reemployment benefits and reentry to the workforce, which data show improves outcomes.

Staff will continue to support grantee needs regarding administration of WIOA. Among these activities are oversight, technical assistance, and guidance to the workforce system regarding retraining and reemployment; promoting apprenticeship, work-based learning, and high-quality training to allow all Americans to equitably benefit from a built-back economy; and continuing collaboration with the Departments of Education and Health and Human Services and other partner agencies. Specific activities include working with states and competitive grantees in implementing performance accountability requirements including Eligible Training Provider outcomes reporting, continuing assistance to states in developing and implementing their WIOA Unified or Combined State Plans, supporting more robust data and technology infrastructure to allow for evidence-based decisions and program implementation, and testing new approaches to employment and training. In FY 2022, ETA staff will continue to support states and competitive grantees in implementing fundamental changes in design and delivery of services, e.g. in delivering virtual services and virtual training, and changing the physical footprint of service delivery locations.

In addition to administering and overseeing ETA programs, Federal staff will continue to provide Congress with requested information, including policy options, clarifications of current practices, and examples of state implementation of current law.

A key focus in FY 2022 will be transitioning ETA grants to the Health and Human Services (HHS) Grant Solutions system. The Department's grants management system processes and administers approximately \$24 billion in active grants and is used on a reimbursement basis by grant-making agencies across the Department. Under the Enterprise Shared Services delivery model, the Department assumed ownership of all IT systems managed by ETA and made the decision to migrate all Department grants into the HHS Grant Solutions environment. Major improvements in reliability and functionality will allow stakeholders across the Department's eight grant-making agencies to better process and manage more than 4,200 active grants totaling approximately \$8.7 billion annually. The modernization effort aims to address issues of limited functionality, high operating and maintenance costs, poor data quality, inadequate reporting capabilities, fragmented architecture, and vulnerable system security. The Department estimates transition of ETA grants to the HHS GrantSolutions system will cost approximately \$9 million in FY 2022.

ETA also plans to use \$1.5 million of the increase to support IT development projects already in progress, as well as other IT cost increases.

Associated with grants management, ETA maintains the Grants Electronic Management System (GEMS) to facilitate FPO monitoring of grant programs. ETA began work to replace GEMS at the end of FY 2019. The first milestone was to digitize the paper-based Core Monitoring Guide and providing regions with a new tool to automate monitoring reports in FY 2020. In FY 2021 ETA will digitize the Grants Enterprise Risk Management (GERM) to replace the GEMS system, add grant program-specific supplements to the electronic Core Monitoring Guide (E-CMG), expand reporting tools, and deploy the new the system. The E-CMG was envisioned to

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streamline procedures for monitoring grant recipients, ensuring regions are using consistent standards for monitoring, and allowing electronic management review and sign off on the monitoring reports. The Department will eventually integrate the E-CMG with the HHS Grant Solutions system to provide support for the full grants lifecycle. O&M costs are estimated at \$500,000 annually. For FY 2022, ETA will use funds to support any remaining development of additional functionality, system rollout to all regions, and operations and maintenance.

Funds will also support transitioning additional programs, including the TAA petition submission process, from the legacy system used by grantees to submit data to ETA to a modernized platform, the Grantee Performance Management System (GPMS).

Finally, the Department will continue to support the operation and maintenance of the Petition Automated Workflow System (PAWS) associated with the investigations and certification of petitions for TAA benefits, as in previous fiscal years. The OTAA PAWS supports the functions associated with Trade investigations to ensure efficiency of determinations and integration of data collection and reporting of results. This automated system will provide an electronic workflow for the TAA group eligibility process from petition intake through investigation processing, include issuance of reports and public determinations, and allow external stakeholders to access the system for the purpose of data collection through OMB approved forms. ETA will complete development of a minimally viable product to support the basic functions of its investigative process on June 9, 2021. ETA will extend funding for 12 months to complete final phase development of PAWS, along with cybersecurity and quality assurance checks, and continued funding will be necessary for the system operations and maintenance in FY 2022. The final development phase for PAWS will modernize Trade data collection, data entry, and data storage. It will provide the opportunity for a consolidated review by investigators of various collected data currently spread across multiple documents and identify delay points in workflow processes.

The PAWS will not replace the need for additional human resources. TAA group eligibility investigations rely heavily on staff interactions to obtain responses and data from external stakeholders during investigations for 16 statutory paths to certification for group eligibility, all of which ETA must explore to issue a negative decision.

FY 2021

Staff will continue to support grantee needs regarding administration of WIOA and all grant programs. As described in the FY 2022 section above, these activities include providing oversight, technical assistance, and guidance to the workforce system regarding retraining and reemployment; promoting apprenticeship, work-based learning, and high-quality training to allow all Americans to equitably benefit from a built-back economy; and continuing collaboration with the Departments of Education and Health and Human Services and other partner agencies. Specific activities include working with states and competitive grantees in implementing performance accountability requirements including Eligible Training Provider outcomes reporting; continuing assistance to states in developing and implementing their WIOA Unified or Combined State Plans; supporting more robust data and technology infrastructure to allow for evidence-based decisions and program implementation; administering grant

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competitions for the REO, INA, YouthBuild, Strengthening Community Colleges, and Workforce Opportunity in Rural Communities programs; and using Dislocated Worker and other resources to respond to the natural disasters and short-term and long-term significant economic changes in rural areas.

In addition to administering ETA programs, Federal staff will continue to provide Congress with requested information, clarifications of current practices, and examples of state implementation of current law.

In FY 2021, the Department will continue to support grants management, performance, case management, and petition certification PAWS platforms. The Department will continue to support two grants management systems during efforts to transition new grants to the HHS GrantSolutions grants management system. To that end, in January 2021, under its Program Integrity transfer authority, ETA transferred \$3.851 million from PY 2020 Training and Employment Service appropriations to Program Administration to partially fund ETA's transition to HHS's GrantSolutions grants management system. The Department will continue its effort to build an integrated performance reporting system that brings ETA's IT profile towards conformity with WIOA performance reporting requirements. The Department will also continue oversight and full implementation of the State Wage Interchange System (SWIS) to fully align the interstate wage record system with WIOA performance reporting.

FY 2020

National and Regional office staff, primarily in the Office of Workforce Investment (OWI), Office of Trade Adjustment Assistance (OTAA), and regional offices, with support from the Office of Policy Development and Research (OPDR) and the Office of Management and Administrative Services (OMAS), engaged in a wide range of activities supporting training and employment programs such as:

- Responded to the COVID-19 pandemic with disaster DWGs and economic recovery DWGs and rapid guidance and technical assistance on pivoting to a virtual environment, and adjusted oversight and monitoring to new circumstances;
- Published grant opportunities to creatively provide quality training and provide work-based learning, including apprenticeship programs, for American workers; and administered grant competitions for opioid response grants, Workforce Opportunity for Rural Communities, Strengthening Community Colleges, YouthBuild, Reentry Employment Opportunities, SCSEP, and Job Corps Scholars programs. These grant competitions all included adjustments to allow workforce grantees to respond to the pandemic;
- Assisted stakeholders in the implementation of WIOA performance measures across grant programs, as well as implementing reporting systems;
- Provided technical assistance to grantees on performance reporting, grant program and grants management fundamentals, promising practices, and delivering high quality services in online and in-person trainings;
- Published guidance on program operations to assist grantees in implementing WIOA statutory and regulatory requirements;

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- Advised states on flexibility within WIOA, including review of and response to state waiver requests;
- Strengthened collaboration with relevant Federal and state agencies to promote a strong, efficient, and integrated workforce system;
- Developed and executed new models for workforce programs and analysis of performance data;
- Implemented various new IT requirements to bring ETA's IT profile towards conformity with WIOA;
- Maintained accountability and oversight for ETA's investment portfolio to ensure conformity with statutes, compliance with regulations, and fiscal accountability; and
- Supported the program offices in their procurement, grants management, and human resource needs.

The Department finalized its decision to migrate grants to the HHS GrantSolutions grants management system and invested \$1.7 million to begin requirements development to transition ETA grants. The Department began building an integrated performance reporting system that will bring ETA's IT profile towards conformity with WIOA performance reporting requirements. By integrating directly with Workforce Integrated Performance System (WIPS), GPMS is helping to align data collections with WIOA reporting requirements and providing additional reporting and data analytics features. The SWIS fully replaced the Wage Record Interchange System (WRIS/WRIS2) in FY 2020.

TRAINING AND EMPLOYMENT

WORKLOAD AND PERFORMANCE SUMMARY				
	FY 2020		FY 2021	FY 2022
	Revised	Enacted	Enacted	Request
	Target	Result	Target	Target
Training and Employment				
Strategic Goal 11 - Build Opportunity and Equity for All				
Strategic Objective 1.1 - Advance training, employment, and return-to-work opportunities that connect workers to higher-wage jobs, especially in ways that address systemic inequities.				
ETA-OTAA-02 Median TAA Petition Processing Time (MPT) in Days.	56[r]	80	45	55

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

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Workload and Performance Summary

The TAA statute requires the Department to process investigations within 40 calendar days. The Department's goal is to improve processing times to ensure eligible workers can apply for benefits and services as soon as possible.

The Median Processing Time (MPT) takes into consideration all aspects of an investigation, including receiving petitions, communicating with petitioners and company officials, collecting data and information pertaining to the claim(s) by petitioner(s), collecting aggregate industry data, surveying other companies impacted within the industry, issuing subpoenas for data from uncooperative individuals, and other outliers. Many of the outlying factors, such as company bankruptcy and successor agents, are beyond the control of the investigator and add significant time to completing an investigation. For example, locating company officials and data for a firm that has declared bankruptcy will significantly delay investigations.

Annual targets for MPT are established based on yearly historical trends of production, petition filings, and performance standards for investigations. This includes tracking data and result trends each fiscal year (including the average total petitions received annually), factoring in investigative resources (staffing), and adjusting targets using internal metrics and timelines for completing each investigation.

Based on year-to-date results, the Department is unlikely to meet its FY 2021 target of 45 days for MPT. Several factors contributed to this result; in particular, delays caused by COVID-19 and the closure of many companies prohibited investigators from collecting the data necessary to complete investigations. This circumstance, combined with reduced investigator staffing levels and two major new initiatives, significantly increased staffing workloads. The two major initiatives included development of new TAA regulations while simultaneously developing PAWS, which required extensive development and testing by investigator staff throughout the year. The Department published the new TAA regulations at the end of FY 2020 and provided over 20 state training sessions throughout FY 2021. The first phase roll-out of PAWS was in the fall of 2020, which required internal and external training for new TAA investigative forms and IT procedures. Given the uncertainties surrounding TAA Reversion on July 1, 2021, and continued PAWS development in FY 2021/2022, MPT may be affected by these activities during this time period and perhaps into FY 2022.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
11.1	Full-time permanent	34,705	31,243	38,257	7,014
11.3	Other than full-time permanent	192	0	0	0
11.5	Other personnel compensation	560	978	978	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	35,457	32,221	39,235	7,014
12.1	Civilian personnel benefits	11,057	10,988	13,275	2,287
13.0	Benefits for former personnel	8	13	13	0
21.0	Travel and transportation of persons	924	287	610	323
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	3,976	2,524	2,524	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	108	28	128	100
24.0	Printing and reproduction	118	100	250	150
25.1	Advisory and assistance services	216	100	100	0
25.2	Other services from non-Federal sources	628	1,050	1,600	550
25.3	Other goods and services from Federal sources 1/	10,806	18,881	30,438	11,557
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	7,264	4,380	7,550	3,170
26.0	Supplies and materials	69	95	284	189
31.0	Equipment	48	4	4	0
42.0	Insurance claims and indemnities	0	8	8	0
	Total	70,679	70,679	96,019	25,340
	1/Other goods and services from Federal sources				
	Working Capital Fund	10,300	13,750	15,124	1,374
	DHS Services	167	0	0	0
	HHS Services	0	0	9,000	9,000
	Census Services	311	0	0	0
	Services by Other Government Departments	0	5,131	6,314	1,183

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CHANGES IN FY 2022

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$915
Personnel benefits	491
Federal Employees' Compensation Act (FECA)	4
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
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	1,374
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	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$2,784**

Net Program **\$22,556**

Direct FTE **35**

	Estimate	FTE
Base	\$73,463	263
Program Increase	\$22,556	35
Program Decrease	\$0	0

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
Activity Appropriation	42,704	42,704	57,472	14,768
FTE	164	163	185	22

NOTE: FY 2020 reflects actual FTE. Authorized FTE for FY 2020 was 173.

Introduction

This budget activity provides for Federal administration and oversight of Workforce Security programs, which include Unemployment Insurance (UI), the Employment Service (ES), Workforce Information/National Electronic Tools/System Building activities, and indirect staff support, including grants management and oversight, financial management, and administrative support.

Federal staff in the national and regional offices provide oversight of grant implementation throughout the multi-year period of performance, including technical assistance, financial management, and monitoring to ensure grantees operate in compliance with applicable laws and regulations and adhere to their statements of work.

In addition to grant oversight and monitoring, Federal staff provide guidance, training, and policy development for the workforce system. The combination of grant oversight, support, and direction that staff provide to grantees contributes to the more effective, efficient operation of the workforce system and helps to ensure better service delivery to customers.

The American Rescue Plan allocated \$2 billion to the Department to detect and prevent fraud, promote equitable access, and ensure timely payment of benefits in the Unemployment Insurance system. In addition, the American Rescue Plan provided \$8 million for Federal activities relating to the administration of UI programs. The funds will be used to fund staff over a three year period, FY 2021 through FY 2023. The additional staff will support ongoing oversight and monitoring of the programs created in response to the COVID-19 pandemic as states wind down operations of these programs; will support the work under the American Rescue Plan Act in addressing fraud, equitable access, and timely benefit payment regarding the UI program; and will address areas where the Department has lacked adequate coverage, such as Trade Readjustment Assistance, Short-Time Compensation, UI Tax, and Benefit Payment Control.

Unemployment Insurance

Federal staff provide leadership, legislative and performance oversight, policy guidance, technical assistance, training, and administrative support to states in the operation of their Unemployment Compensation (UC) programs. The Department uses these resources for Federal budget and policy development, and to collect, analyze, and publish data related to state UC programs, including economic analysis, research, and program oversight. Staff attention and

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resources also focus on measuring, evaluating, and improving performance in the UI program in order to reduce fraud, improper payment, and ensure program integrity.

Employment Service

Federal staff provide 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.

Workforce Information/Electronic Tools/System Building

Workforce Information/National Electronic Tools/System Building supports the operation and management of information and tools for the workforce development system. Federal staff develop workforce information policy guidance; provide and manage grants to states for national, state, regional, and local workforce information that promote informed decision-making; and administer the collection of information relating to labor market participation. Staff update and support national electronic tools to provide career guidance, information, tools, and products for use by workforce system partners, career counselors, job seekers, employers, veterans, students, and the public, including assessment guidance, the Occupational Information Network (O*NET), the Competency Model Initiative, mySkills myFuture, My Next Move, and the suite of electronic tools found at www.careeronestop.org. Staff also make strategic investments and collaborate in the development of interactive Web-based tools that capture information from a variety of databases and support regional and community analysis to underpin strategic planning, cluster analysis, benchmarking, and assessment of interventions.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2017	\$42,704	218
2018	\$42,704	206
2019	\$42,704	200
2020	\$42,704	173
2021	\$42,704	163

FY 2022

The FY 2022 Budget for Workforce Security is \$57,472,000 and 185 FTE. This is an increase of \$14,768,000 and 22 FTE over FY 2021 levels.

PA's budget authority has not increased since FY 2017 for FTEs to administer the federally managed programs, and longer in the case of the Workforce Security budget activity, despite multiple personnel pay raises, increased personnel benefits (Federal Employees Retirement Systems (FERS) and Federal Employees Compensation Act (FECA) adjustments), increases to non-personnel administrative costs, and new provisions in the CARES Act. Approximately, \$1.7 million of the increases will fund built-in increases supporting a 2.7 percent pay raise and 1

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percent FERS benefits increase, FECA adjustments, rent increases and WCF inflationary costs. Additionally, the Department requests \$4.2 million to absorb personnel pay and benefits increases associated with 25 staff (and contract inflationary costs) who transitioned in FY 2020 to support the Department's Shared Services initiative.

Additional resources requested will help ensure the Department maintains federal administration of the unemployment insurance system at a sustainable operating level that can survive normal attrition under the increased workload associated with the pandemic. The pandemic has impacted quality of work and opened up critical staffing needs. Additional funding of \$5.9 million for 22 additional FTEs will ensure continuity of operations and improvements in the following core areas of administering UC programs:

- Implementation of modular federal unemployment insurance technologies.
- Reduced risk associated with oversight and support of Unemployment Tax Operations, a program through which states collect over \$34 billion annually in unemployment taxes/contributions.
- Improved ability to gather extensive and valuable information about the activities within the unemployment insurance program. During the pandemic, numerous additional reports have been initiated regarding the new programs, multiplying the amount of data and information gathered by the Department. This information gathering will continue to grow following the pandemic.
- Proper review and analysis of the significant amount of information states are reporting on activities during the pandemic and its aftermath.
- Sound technical assistance regarding Trade Readjustment Assistance, a program that usually sees significant activity in recessionary economic cycles and is also pending reauthorization.
- Improved technical assistance to states regarding Extended Benefits, a program many states last operated during the Great Recession ten years ago and which has experienced dramatically increased use during the pandemic.
- Improved guidance, technical assistance and training to states regarding strategies to prevent, detect, and recover these improper payments, also known as Benefit Payment Control (BPC). With the huge growth in claims volume over the past year, improper payment activity has grown.

ETA also plans to use \$2.9 million of the increase to support development and existing IT systems. A portion of the funds will be used to support IT costs associated with CMQA, cybersecurity, and operations and maintenance of IT systems supporting all programs. These funds will also support increased costs associated with modernizing the Tax Performance System (TPS), part of the UI Database. Funds will support the work associated with transitioning the next cohort of programs, including Title XII tracking, from the legacy system used by grantees to submit data to ETA to a modernized Grantee Performance Management System (GPMS) platform.

In FY 2022 federal staff will:

- monitor and oversee over \$2.6 billion in grants to 53 state UI and ES agencies;
- formulate, communicate, and analyze program policies, including receiving recommendations from the Workforce Information Advisory Committee;

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- develop and analyze critical economic and employment data;
- measure performance and encourage continuous improvement throughout the UI, ES, and LMI systems; and
- work with states to develop state laws and operating procedures that comply with Federal laws and regulations.

The Department's staff continues to work with State Workforce Agencies (SWAs) to reduce fraud and improper payments, which have evolved over the course of the pandemic. ETA continues to develop strategies focused on prevention, detection, and recovery of improper payments. Historically, the three largest root causes of UI improper payments are:

- Failure of claimants to comply with the SWAs' work search requirements (Work Search);
- Payments to individuals who continue to claim benefits after they have returned to work (Benefit Year Earnings); and
- Failure of employers or their third party administrators to provide timely and adequate information on the reason for an individual's separation from employment (Separation).

The Department will also continue to work with states to reduce improper payments from fraudulent claims by pursuing strategies that will provide states with additional monitoring, technical assistance, and systems support.

The Department's staff will continue to support and oversee the work of the UI Integrity Center of Excellence. The UI Integrity Center of Excellence is a state-driven source of innovative program integrity strategies to prevent and detect improper payments and reduce fraud, implemented through cooperative agreements with New York and the National Association of State Workforce Agencies (NASWA). Federal staff continue to promote the implementation of the State Information Data Exchange System (SIDES), another key to preventing UI improper payments. The web-based system SIDES allows electronic transmission of UI information requests from UI agencies to multi-state employers and/or Third Party Administrators, as well as transmission of replies containing the requested information back to the UI agencies. It allows for the exchange of separation, earnings verification, and monetary and potential charges information between states and employers.

The Department also oversees and provides technical assistance for state implementation of the Reemployment Services and Eligibility Assessment (RESEA) program authorized by Congress in the Bipartisan Budget Act of 2018. The RESEA program focuses on strategies to ensure the integrity of the UI program and identifies evidence-based strategies that assist UI claimants to return to work more quickly. RESEA provides funds to states to better serve UI claimants at American Job Centers to conduct an eligibility review and develop a reemployment plan that connects them to appropriate reemployment services. The mandatory savings of RESEA over ten years are \$6.1 billion, which includes an estimated \$1.8 billion reduction in state unemployment taxes. When netted against the discretionary costs, the 10-year net savings of the program are \$913 million.

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FY 2021

Federal staff will monitor and oversee over \$5.37 billion in grants to 53 state UI agencies; provide guidance, training, and technical assistance to these grantees; formulate, communicate, and analyze program policies; develop and analyze critical economic and employment data; measure performance and encourage continuous improvement throughout the UI system; and work with states to develop state laws and operating procedures that comply with Federal regulations. With respect to Wagner-Peyser employment services, staff will issue guidance and provide related technical assistance through webinars and calls with states.

As described in the FY 2022 section above, the Department is implementing an aggressive strategic plan to work with SWAs to ensure program integrity.

The Department will continue to support and oversee the work of the UI Integrity Center of Excellence, oversee and provide technical assistance for state implementation of the RESEA initiative, and improve the UI Database. Additional outreach to the employer community is ongoing in FY 2021 to promote the use of SIDES to reduce improper payments due to separation errors.

The Department will re-convene the Workforce Information Advisory Committee, and receive and consider its recommendations. Federal Staff will work on further alignment and reporting for non-core WIOA programs and programs authorized by other statutes with WIOA performance measures and reporting. This includes the employment rate of all UI claimants who are participants in ES and ES participants co-enrolled in RESEA.

As indicated in detailed discussion below, during FY 2021, the Department anticipates using the FY 2020 program integrity transfer to fund the procurement and integration of Account Verification Services (AVS), which will aid states in proactively identifying and authenticating bank account information provided by an unemployment compensation (UC) claimant. The additional dataset(s) will allow states to conduct enhanced UC claimant identity verification to prevent fraudulent claims from being paid based on false identities. During FY 2021, the Department will evaluate the level of transaction activity in order to determine how to best utilize the program integrity transfer funded out of FY 2021 funding.

FY 2020

ETA made significant progress regarding the UI Integrity Center, a state-driven source of innovative program integrity strategies to prevent and detect improper payments, and reduce fraud. ETA has implemented the Integrity Center through cooperative agreements with New York and the National Association of State Workforce Agencies. In FY 2020, the Department worked with the Integrity Center to support the following activities:

1. Expanding the Integrity Data Hub to include new functionality and new data sources to increase states' ability to prevent and detect improper and fraudulent payments.

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2. Providing on-line program integrity training through a UI National Academy via online modules and instructor-led courses leading to credentials. Training curricula include tracks in fraud investigation, UI claims intake and processing, and program leadership.
3. Promoting an Integrity Knowledge Exchange, with a Digital Library of model state practices, and program integrity information available to all states.
4. Offering technical assistance and business process analysis services to states through UI subject matter experts.
5. Providing intensive on-site consultative assistance to individual states in need of specific technical assistance regarding fraud and improper payments.

Support of the SIDES remains another key to preventing UI improper payments. A web-based system, SIDES allows electronic transmission of UI information requests from UI agencies to multi-state employers and/or Third Party Administrators, as well as transmission of replies containing the requested information back to the UI agencies. It allows for the exchange of separation, earnings verification, and monetary and potential charges information between states and employers. A total of 50 state UI agencies have implemented and are using SIDES for separation requests. Also, 43 state UI agencies are exchanging SIDES data with all Third-Party Administrators (TPAs) that are live and operating in their state.

ETA also provided guidance, direction, oversight, and technical assistance for the RESEA program. FY 2020 was the second full year that states implemented the new RESEA program. RESEA provides funds for states to bring UI claimants into American Job Centers for an assessment of continuing UI eligibility, assistance with the development of a reemployment plan, reemployment services, labor market information, and referrals to training or other workforce services.

The Department continued to modernize the Tax Performance System (TPS), part of the UI Database. In FY 2018, the Department created an additional TPS external user interface and a business model that interacts with the existing database to produce, display, and allow manipulation of 14 additional TPS reports.

Over the past few decades, the UI claims taking process has experienced significant changes—going from an in-person event to a remote telephonic claims taking process to a process that for most states is strictly an internet-based operation. While these changes have resulted in much needed efficiencies, it has also increased the risk of identity fraud in the program.

The Department utilized the program integrity transfer authority authorized by Congress to implement a nation-wide system for front-end claimant identity verification to address the need of identity verification in the UI system. Recently, states have experienced massive fraud schemes based on stolen identities. State UI agencies have a critical need for assistance in preventing improper payments and fraud, especially in the area of front-end claimant identity verification. All states currently conduct cross-matches with various sources of data to prevent or detect fraudulent claims. However, in FY 2020 only a few states had acquired and implemented high-quality systems to authenticate the identity of individuals at the front end of the claim to prevent the use of personal identifying information for willful misrepresentation in establishing eligibility for UI benefits. As a result, states were making payments that are likely impossible to

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later recover. ETA estimates that a fully functional system with all states participating would conservatively save state UI trust funds over \$700 million over five years.

In December 2018, ETA transferred \$3 million from the FY 2018 SUIESO appropriation to Program Administration. ETA obligated the FY 2018 funds to the UI Integrity Center in September 2019. The Center issued a Request for Proposal (RFP) in October 2019 to procure access to identity verification data sets which were made available to states through the Integrity Center's Integrity Data Hub in July 2020. As of April 26, 2021, 29 states were regularly using the identity verification service offered through the Integrity Data Hub.

Access to the identity verification data set(s) is an ongoing service and vendors generally charge for access to the data set(s) on a transactional basis. Ongoing funding is required each year to make the data set(s) continuously available to states through the Integrity Data Hub. The Department transferred \$3 million from the FY 2019 SUIESO appropriation to Program Administration through the Program Integrity Transfer to continue this initiative and to address the significant increase in claims volume.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
11.1	Full-time permanent	23,043	20,432	24,739	4,307
11.3	Other than full-time permanent	127	156	156	0
11.5	Other personnel compensation	382	548	548	0
11.9	Total personnel compensation	23,552	21,136	25,443	4,307
12.1	Civilian personnel benefits	7,544	7,180	8,799	1,619
13.0	Benefits for former personnel	16	6	6	0
21.0	Travel and transportation of persons	354	82	731	649
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	3,545	2,099	2,099	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	61	46	46	0
24.0	Printing and reproduction	0	0	0	0
25.1	Advisory and assistance services	44	0	0	0
25.2	Other services from non-Federal sources	85	116	216	100
25.3	Other goods and services from Federal sources 1/	4,835	9,657	13,671	4,014
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	2,513	2,205	6,177	3,972
26.0	Supplies and materials	139	168	275	107
31.0	Equipment	8	9	9	0
42.0	Insurance claims and indemnities	8	0	0	0
	Total	42,704	42,704	57,472	14,768
	1/Other goods and services from Federal sources				
	Working Capital Fund	4,509	4,666	5,496	830
	DHS Services	128	0	0	0
	Census Services	185	0	0	0
	Services by Other Government Departments	0	4,991	8,175	3,184

WORKFORCE SECURITY

CHANGES IN FY 2022

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$553
Personnel benefits	297
Federal Employees' Compensation Act (FECA)	3
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
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	830
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	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$1,683**

Net Program **\$13,085**

Direct FTE **22**

	Estimate	FTE
Base	\$44,387	163
Program Increase	\$13,085	22
Program Decrease	\$0	0

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
Activity Appropriation	36,160	36,160	47,272	11,112
FTE	124	133	151	18

NOTE: FY 2020 reflects actual FTE. Authorized FTE for FY 2020 was 110.

Introduction

The Employment and Training Administration’s Office of Apprenticeship (OA) utilizes Program Administration (PA) resources to oversee the National Registered Apprenticeship system. On February 17, 2021, the President announced actions to bolster Registered Apprenticeship and his American Jobs Plan invests significantly in Registered Apprenticeship and pre-apprenticeship, to support infrastructure and rebuilding projects.

Registered Apprenticeship is a proven model of apprenticeship that has been validated by the U.S. Department of Labor or a State Apprenticeship Agency. Programs are industry-driven, high-quality career pathways through which employers can develop and prepare their future workforce, and individuals can obtain paid work experience, classroom instruction, progressive wage increases, and a transferable, nationally-recognized credential. Those credentials in turn lead to a long-term, well-paying career. Apprenticeship continues to expand as a key strategy to develop the nation’s workforce in areas including clean energy, advanced manufacturing, financial services, childcare, educational services, transportation, information technology, healthcare, and the skilled trades.

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 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 the workforce system and other Federal programs and agencies including the Department of Education; and
- Providing oversight and technical assistance to State Apprenticeship Agencies in 25 states, the District of Columbia, Virgin Islands, and Guam.

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Federal staff also provide leadership and critical oversight functions for grant and contract initiatives (TES-funded apprenticeship initiatives). The increased budget will also help the Department to shore up grantee and contractor oversight and monitoring to ensure high performance of the Department's federal investments in apprenticeship.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2017	\$36,160	174
2018	\$36,160	171
2019	\$36,160	168
2020	\$36,160	110
2021	\$36,160	133

FY 2022

The Department is requesting \$47,272,000 and 151 FTE for oversight of the National Apprenticeship system, program administration, and compliance and monitoring activities. This is an increase of \$11,112,000 and 18 FTE over FY 2021. Since FY 2017, Congress has increased funding within the Training and Employment Service appropriations account for Apprenticeship activities but has not increased PA funding for FTEs to administer the program. This has occurred despite multiple personnel pay raises, increased personnel benefits (Federal Employees Retirement Systems (FERS) and Federal Employees Compensation Act (FECA) adjustments, increases to non-personnel administrative costs, and new requirements.

In addition to new FTE, approximately, \$1.4 million of the increases will fund built-in increases to support a 2.7 percent pay raise and 1 percent FERS benefit increase, FECA adjustments, rent increases and WCF inflationary costs. Additionally, the Department requests \$2.7 million to absorb personnel pay and benefits increases associated with 23 staff (and contract inflationary costs) who transitioned in FY 2020 to support the Department's Shared Services initiative.

For FY 2022, \$5 million for additional staff and other PA funded supports would allow the Department to increase capacity in support of the following:

1. **Build National Apprenticeship System.** The Department, in alignment with the Administration's vision, will redefine roles within the National Apprenticeship system for federal, state, industry, education, and workforce (including equity) partners. This includes creating new operational and policy levers supported by PA funds. New investment levers are described in the TES Apprenticeship budget (See TES budget for further details). The PA resources provide FTE and other administrative capacity to manage the TES investments made to strengthen the National Apprenticeship system.
2. **Transform Office of Apprenticeship.** Increase capacity for and re-organize the Office of Apprenticeship to effectively manage significant new resources, provide policy leadership for the National Apprenticeship system, and conduct robust monitoring and

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oversight to ensure program quality and equity. The Department will explore new program management models to increase efficiency and effectiveness while upholding quality program standards. The Department will also leverage technology to reform and automate key processes to provide for enhanced self-service options, as well as a suite of electronic tools that allow industries to start apprenticeship programs quickly, and for career seekers to find apprenticeship program opportunities.

3. **New Technological Approaches, Process Improvement and Reengineering.** To advance the National Apprenticeship system, the Department will implement an ambitious IT infrastructure plan to increase program efficiency and enhance accountability. This includes cloud-based, customer friendly solutions. A stable and expanded technology driven management system with an integrated business flow process will reduce staff administrative and data entry responsibilities and allow for more dedicated time for serving the needs of existing and new program sponsors. Further, it will be easier for employers and other sponsors to register programs and access pertinent information regarding Registered Apprenticeship. Additionally, the Department will expand program registration tools, such as a program standards builder, to help automate portions of the registration process for new sponsors, freeing up Federal staff to focus on program expansion and oversight. The current process to establish program standards causes a significant bottleneck to the creation of new Apprenticeship programs. While still maintaining all regulatory requirements for registration, the Department seeks to make this process easier for new sponsors by creating an on-line process and tools for program sponsors to begin the program development and design phase of the process.
4. **Develop Phase I: Apprenticeship University Geared at Partner Training.** As the Department makes more investments in Registered Apprenticeship, the number of partners joining the movement are increasing. In addition, States are taking on new roles and some are deciding to become State Apprenticeship Agencies (SAAs). For new partners, even those familiar with other employment and training programs, Registered Apprenticeship can take some time to understand in order to implement programs properly and in alignment with regulation. To ensure more consistency, the Department will establish an Apprenticeship University to provide ongoing training to States, stakeholders and practitioners. In FY 2022, the Department will design and implement phase one to bring key elements of training under one umbrella, including components such as Registered Apprenticeship (RA) foundational training; Diversity, Equity, and Inclusion (DEI) curriculum; and employer outreach tutorials.

Additionally, \$1.9 million of the \$11.1 million increase will be used to fund increased costs for IT systems.

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FY 2021

In FY 2021, Department is focused on implementing the Administration's actions to expand Registered Apprenticeship opportunities.

Additionally, staff will continue to oversee over 27 apprenticeship contracts, 155 apprenticeship grants, and a number of other competitive grant programs across ETA utilizing apprenticeship strategies. All programs require technical assistance, national coordination, and monitoring/compliance reviews to minimize risk throughout the course of the program.

FY 2020

In FY 2020, the Department focused on apprenticeship expansion efforts, including responding to all-time high levels of Registered Apprenticeships. Staff oversaw over 27 apprenticeship contracts, 155 apprenticeship grants, and a number of other competitive grant programs across ETA utilizing apprenticeship strategies. The Department supported critical IT Modernizations projects, including Customer Relations Management (CRM) solutions, a key aspect of modernizing customer support, interaction, and servicing.

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WORKLOAD AND PERFORMANCE SUMMARY				
	FY 2020 Revised Enacted		FY 2021 Enacted	FY 2022 Request
	Target	Result	Target	Target
Apprenticeship				
Strategic Goal 11 - Build Opportunity and Equity for All				
Strategic Objective 1.1 - Advance training, employment, and return-to-work opportunities that connect workers to higher-wage jobs, especially in ways that address systemic inequities.				
ETA-OA-02	Number of New Apprentices		720,000	713,754
			1,000,000	1,300,000

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

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Workload and Performance Summary

For the workload table above, the Department based the targets on the cumulative running count that began in FY 2018 to achieve the Department's overall strategic goal of 1 million new apprentices by the end of FY 2021 and 1.3 million new apprentices by the end of FY 2022.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
11.1	Full-time permanent	18,144	14,782	18,757	3,975
11.3	Other than full-time permanent	0	71	71	0
11.5	Other personnel compensation	360	430	430	0
11.9	Total personnel compensation	18,504	15,283	19,258	3,975
12.1	Civilian personnel benefits	5,892	5,200	6,686	1,486
13.0	Benefits for former personnel	12	0	0	0
21.0	Travel and transportation of persons	724	179	757	578
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	1,068	605	605	0
23.2	Rental payments to others	0	1	1	0
23.3	Communications, utilities, and miscellaneous charges	216	185	185	0
24.0	Printing and reproduction	16	0	0	0
25.1	Advisory and assistance services	40	0	0	0
25.2	Other services from non-Federal sources	1,500	681	681	0
25.3	Other goods and services from Federal sources 1/	6,044	11,965	14,397	2,432
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	2,100	1,977	4,522	2,545
26.0	Supplies and materials	32	84	180	96
31.0	Equipment	12	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	36,160	36,160	47,272	11,112
	1/Other goods and services from Federal sources				
	Working Capital Fund	5,897	7,211	7,914	703
	DHS Services	133	0	0	0
	Services by Other Government Departments	0	4,754	6,483	1,729

APPRENTICESHIP

CHANGES IN FY 2022

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$467
Personnel benefits	251
Federal Employees' Compensation Act (FECA)	2
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
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	703
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	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$1,423**

Net Program **\$9,689**

Direct FTE **18**

	Estimate	FTE
Base	\$37,583	133
Program Increase	\$9,689	18
Program Decrease	\$0	0

EXECUTIVE DIRECTION

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
Activity Appropriation	9,113	9,113	10,740	1,627
FTE	44	38	43	5

NOTE: FY 2020 reflects actual FTE. Authorized FTE for FY 2020 was 45.

Introduction

Executive Direction activities provide leadership and policy for all Employment and Training Administration (ETA) programs and activities and for related program operations support, including policy development, research, evaluations, demonstrations, program and performance management, legislative relations, regulatory development, dissemination of formal guidance and notices, and agency management and oversight. ETA’s Office of the Assistant Secretary for Employment and Training (OASET) and the Office of Policy Development and Research (OPDR) administer these activities. Performance measures for these activities are discussed in the relevant program activity sections of the budget request.

Through the active engagement of OASET and OPDR, the following strategies support program management and results throughout ETA:

- Delineating strategic objectives relating to agency priority goals and planning and tracking programmatic operating measures and milestones aligned with the goals;
- Developing and managing pilot, demonstration, research, and evaluation activities, and analyzing and disseminating results of these activities 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, and to inform workforce system partners and stakeholders;
- Developing and refining performance measures in alignment with federal priorities and alignment of performance accountability across the Department’s programs, including continued implementation of the statutory requirements of the Workforce Innovation and Opportunity Act (WIOA), and other workforce programs;
- Setting national performance targets to effectively set the agenda for program performance in accordance with priorities;
- Providing legislative support and technical assistance to Congress, 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. This work includes management of Government Accountability Office (GAO) engagements requested by Congressional Members;
- Development of the agency’s Regulatory Agenda, and support for regulatory and de-regulatory activities; and
- Oversight of the official system for disseminating agency guidance and notices.

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Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2017	\$9,113	45
2018	\$9,113	40
2019	\$9,113	45
2020	\$9,113	45
2021	\$9,113	38

FY 2022

The FY 2022 Budget requests \$10,740,000 and supports 43 FTE. This is an increase of \$1,627,000 and 5 FTE over FY 2021 levels.

PA's budget authority has not increased since FY 2017 for FTEs to administer the federally managed programs, and longer in the case of Executive Direction, despite multiple personnel pay raises, increased personnel benefits (Federal Employees Retirement Systems (FERS) and Federal Employees Compensation Act (FECA) adjustments, increases to non-personnel administrative costs, and new requirements, including implementing new provisions and funding from supplemental appropriations acts. Approximately \$360,000 of the increase will fund built-in increases supporting a 2.7 percent pay raise and 1 percent FERS benefits increase, FECA adjustments, rent increases, and WCF inflationary costs.

The requested increase for Executive Direction will also support increased hiring within the PA account. Together with slower attrition, ETA anticipates operating near ceiling by early FY 2022 and returning to normal staffing levels during FY 2022.

Additional resources of \$1.3 million will enable ETA to:

- Support full implementation of the Division of Data Analytics and Strategic Planning to focus on a portfolio of ETA-wide data analytics and data governance activities.
- Increase capacity for econometrics and statistical modeling. ETA wants to expand statistical modeling to assist local areas rather than limit statistical modeling to the state level.
- Focus on equity, diversity and inclusion – both internally and externally; direct ETA efforts internally to increase our knowledge, practice and understanding and support the critical priority of ensuring these values are upheld and projected throughout ETA programs.

Without additional support, ETA will not be able to build the capacity required to provide innovative data products and analysis to ETA leadership and Program Offices for data-driven decision-making and continuous program improvement. ETA needs this capability to support conceptual policy work related to legislative proposals and implementation of Executive Orders and other Administration policy direction. ETA has a high volume of work responding to auditors, satisfying statutory reporting requirements, meeting Congressional requests, and conducting key rulemaking activities. Taking on new policy initiatives will be difficult without additional resources.

EXECUTIVE DIRECTION

Staff will continue to work on ETA and Departmental initiatives, including policy and legislative functions; analyzing and disseminating key performance data associated with WIOA; providing leadership to the agency on policy issues, including support for execution of the agency's regulatory agenda; and providing project management for continuing research and evaluation efforts. This leadership support is critical to ETA's Program Offices as they implement strategies to achieve the Department's performance goals. In FY 2022, these staff, collaborating with the Office of the Chief Information Officer (OCIO), will continue to maintain ETA's performance reporting systems, make data entry simpler for stakeholders, and improve data analysis capabilities.

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

OPDR staff interpret research and evaluation findings and convert conclusions and recommendations into usable information, disseminating reports and summaries to inform policy and program decision-making. OPDR staff provide technical assistance to states to help build research and evaluation capacity pursuant to their WIOA responsibilities. Activities are underway to provide evaluation and data systems guidance, tools, and technical assistance to State Workforce Agencies (SWAs). ETA seeks to both learn from state experiences and create peer support to expand emerging and best research and evaluation practices.

OPDR also manages ETA program performance reporting and analysis; publishes performance information and provides the information and tools that grantees use for data collection, validation, and performance reporting; and develops and publishes guidance to inform the workforce system of new or revised reporting requirements. These activities lead to better information that ETA leadership and stakeholders use for decision-making.

OPDR promotes awareness of ETA policies and programming to interested stakeholders by managing the ETA Advisory System, the agency's mechanism for disseminating guidance based on statute and regulation and programming information to the public workforce system. OPDR plays a crucial role in facilitating communications with GAO, the Department's Office of Congressional and Intergovernmental Affairs (OCIA), the Department's Bureau of International Labor Affairs (ILAB), and the Office of the Assistant Secretary for Policy (OASP). In FY 2022, OPDR will continue to serve as ETA's liaison to GAO, OCIA, and ILAB, and to coordinate ETA's participation in GAO audits, OCIA inquiries, and international engagements. OPDR will also continue to administer the ETA Regulatory Agenda, support the Department's regulatory and de-regulatory efforts, and aid the Department's research and evaluation efforts, working closely with OASP. Through its communication efforts, support, and cross-organizational interactions, OPDR fulfills a necessary function that assists ETA leadership in carrying out the agency's mission, meeting legislative and oversight requirements, and promoting accountability.

EXECUTIVE DIRECTION

FY 2021

In FY 2021, staff continue to work on ETA and Departmental initiatives, including policy and legislative functions, GAO and OCIA liaison activities, project management for continuing research and evaluation efforts, and management of ETA's performance reporting and analysis. In FY 2021, staff continue to enhance and maintain ETA's performance reporting systems, make data entry simpler for stakeholders, improve data analysis capabilities, and provide critical technical assistance to states for improved performance reporting, data quality and building evaluation capability. In addition, staff work on execution of the agency's Regulatory Agenda, including publishing proposed and final rules that include a Request for Information on Data Sources and Methods for Determining Prevailing Wage Levels for the Temporary and Permanent Employment of Certain Immigrants and Non-Immigrants in the United States; Strengthening Wage Protections for the Temporary and Permanent Employment of Certain Immigrants and Non-Immigrants in the United States (Delay of effective date, and Proposed delay of effective date and transition date); Strengthening Wage Protections for the Temporary and Permanent Employment of Certain Aliens in the United States (Final rule and an Interim final rule); and Adverse Effect Wage Rate Methodology for the Temporary Employment of H-2A Nonimmigrants in Non-Range Occupations in the United States. ETA expects to undertake at least four additional rulemakings in FY 2021.

OPDR's newly established Division of Data Analytics and Strategic Planning (created in December 2020) is responsible for data analytics, data governance, and strategic planning. The Division is currently working to implement Evidence Act requirements and the President's Management Agenda (e.g., develop and maintain ETA's Data Inventory).

FY 2020

Staff worked on Departmental initiatives, including policy and legislative functions; analyzed and disseminated key performance data associated with implementation of WIOA; and provided critical leadership to the agency on policy issues, including support for execution of the agency's Regulatory Agenda and managing continuing research and evaluation efforts. This leadership support was critical to the Program Offices as they implemented strategies to achieve the Department's performance goals.

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

OPDR also managed ETA program performance reporting and analysis; published performance data and provided the information and tools that grantees used for data collection, validation, and performance reporting; and developed and published guidance letters and notices to inform the public workforce system of new or revised performance accountability requirements. In doing so, OPDR provided ETA leadership and stakeholders with the timely and relevant feedback that supports good decision-making.

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Through legislative support activities, OPDR helped position the agency to provide leadership on legislative proposals that furthered the Department's goals. OPDR also worked with Congress, as requested, on legislative proposals that, if enacted, could impact the agency's ability to reach its outcome goals. OPDR also ensured that Department and ETA priorities and expertise contributed to the development of policies, new programs government-wide, and regulations. For example, ETA issued final regulations regarding Establishing Appropriate Occupations for Drug Testing of Unemployment Compensation Applicants Under the Middle Class Tax Relief and Job Creation Act of 2012; Procurement Roles and Responsibilities for Job Corps Contracts; Modernizing Recruitment for the Temporary Employment of H-2B Foreign Workers in the United States; and issuing a Notice of Proposed Rulemaking as well as a final rule relating to the Trade Adjustment Assistance for Workers program. OPDR also coordinated the dissemination of all agency guidance (including an unprecedented number of COVID-related guidance documents), research and evaluation findings, and technical assistance tools and resources so that the public workforce system received timely information on program policies and direction. OPDR continued to play a critical role in ETA's implementation of WIOA, analyzing and interpreting legislation and regulations so that ETA achieved implementation targets.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
11.1	Full-time permanent	3,984	4,661	5,555	894
11.3	Other than full-time permanent	68	100	100	0
11.5	Other personnel compensation	88	207	207	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	4,140	4,968	5,862	894
12.1	Civilian personnel benefits	1,612	1,649	1,986	337
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	40	32	102	70
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	716	420	420	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	0	0	0	0
24.0	Printing and reproduction	16	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	184	14	142	128
25.3	Other goods and services from Federal sources 1/	2,306	1,977	2,155	178
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	71	24	24	0
26.0	Supplies and materials	24	29	49	20
31.0	Equipment	4	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	9,113	9,113	10,740	1,627
	1/Other goods and services from Federal sources				
	Working Capital Fund	2,174	1,667	1,845	178
	DHS Services	52	0	0	0
	Census Services	75	0	0	0
	Services by Other Government Departments	0	310	310	0

EXECUTIVE DIRECTION

CHANGES IN FY 2022

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$118
Personnel benefits	63
Federal Employees' Compensation Act (FECA)	1
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
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	178
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	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$360**

Net Program **\$1,267**

Direct FTE **5**

	Estimate	FTE
Base	\$9,473	38
Program Increase	\$1,267	5
Program Decrease	\$0	0