

**FY 2024**

**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, [\$118,900,000] \$157,344,000, together with not to exceed [\$54,015,000] \$68,122,000 which [may be expended] shall be available from the Employment Security Administration Account in the Unemployment Trust Fund: *Provided, That such amounts shall remain available through September 30, 2025. (Department of Labor Appropriations Act, 2023.)*

# PROGRAM ADMINISTRATION

## ANALYSIS OF APPROPRIATION LANGUAGE

### Language Provision

### Explanation

For expenses of administering employment and training programs, [\$118,900,000] \$157,344,000, together with not to exceed [\$54,015,000] \$68,122,000 which [may be expended] *shall be available* from the Employment Security Administration Account in the Unemployment Trust Fund: *Provided, That such amounts shall remain available through September 30, 2025.*

The language change provides that the funds appropriated for Federal administration of the employment and training programs shall be available for Federal obligation through September 30, 2025, thereby providing a two-year period for such obligations instead of the one-year obligation period that has generally applied to such appropriations. This proposed two-year availability is intended to increase flexibility for program execution. The annual uncertainty in the appropriations timing results in delayed hiring and rushed execution of contracts. The multi-year availability would reduce the impact of short-term continuing resolutions at no cost to the annual appropriations bill. This change would also enhance staff oversight of the programs they are administering.

## PROGRAM ADMINISTRATION

<b>AMOUNTS AVAILABLE FOR OBLIGATION</b>						
(Dollars in Thousands)						
	FY 2022 Revised Enacted		FY 2023 Revised Enacted		FY 2024 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
<b>A. Appropriation</b>	<b>407</b>	<b>\$112,934</b>	<b>452</b>	<b>\$118,900</b>	<b>504</b>	<b>\$157,344</b>
Unexpired/Unobligated Balance CARES Act 2020, P.L 116-136	11	\$1,308	0	\$0	0	\$0
Unexpired/Unobligated Balance American Rescue Plan Act of 2021, P.L. 117-2	21	\$6,960	13	\$4,831	0	\$0
Program Integrity Transfer	0	\$6,736	0	\$2,461	0	\$0
<i>Subtotal Appropriation</i>	<i>439</i>	<i>\$127,938</i>	<i>465</i>	<i>\$126,192</i>	<i>504</i>	<i>\$157,344</i>
Offsetting Collections From:						
Reimbursements	0	\$18,767	84	\$13,562	84	\$13,517
Trust Funds	206	\$51,481	222	\$54,015	250	\$68,122
<i>Subtotal Offsetting Collections</i>	<i>206</i>	<i>\$70,248</i>	<i>306</i>	<i>\$67,577</i>	<i>334</i>	<i>\$81,639</i>
<b>B. Gross Budget Authority</b>	<b>645</b>	<b>\$198,186</b>	<b>771</b>	<b>\$193,769</b>	<b>838</b>	<b>\$238,983</b>
Unexpired/Unobligated Balance CARES Act 2020, P.L 116-136	-11	-\$1,308	0	\$0	0	\$0
American Rescue Plan Act of 2021, P.L. 117-2	0	\$0	0	\$0	0	\$0
Unexpired/Unobligated Balance American Rescue Plan Act of 2021, P.L. 117-2	-21	-\$6,960	-13	-\$4,831	0	\$0
Program Integrity Transfer	0	-\$6,736	0	-\$2,461	0	\$0
Offsetting Collections						
Reimbursements	0	-\$18,767	-84	-\$13,562	-84	-\$13,517
<i>Subtotal Deduction</i>	<i>-32</i>	<i>-\$33,771</i>	<i>-97</i>	<i>-\$20,854</i>	<i>-84</i>	<i>-\$13,517</i>
<b>C. Budget Authority Before Committee</b>	<b>613</b>	<b>\$164,415</b>	<b>674</b>	<b>\$172,915</b>	<b>754</b>	<b>\$225,466</b>
Unexpired/Unobligated Balance CARES Act 2020, P.L 116-136	11	\$1,308	0	\$0	0	\$0
Unexpired/Unobligated Balance American Rescue Plan Act of 2021, P.L. 117-2	21	\$6,960	13	\$4,831	0	\$0
Program Integrity Transfer	0	\$6,736	0	\$2,461	0	\$0
<i>Subtotal</i>	<i>33</i>	<i>\$15,004</i>	<i>13</i>	<i>\$7,292</i>	<i>0</i>	<i>\$0</i>
Offsetting Collections From:						
Reimbursements	0	\$18,767	84	\$13,562	84	\$13,517
<i>Subtotal Offsetting Collections</i>	<i>0</i>	<i>\$18,767</i>	<i>84</i>	<i>\$13,562</i>	<i>84</i>	<i>\$13,517</i>
<b>D. Total Budgetary Resources</b>	<b>646</b>	<b>\$198,186</b>	<b>771</b>	<b>\$193,769</b>	<b>838</b>	<b>\$238,983</b>
Unexpired/Unobligated Balance CARES Act 2020, P.L 116-136	-2	-\$22	0	\$0	0	\$0

## PROGRAM ADMINISTRATION

Unexpired/Unobligated Balance American Rescue Plan Act of 2021, P.L. 117-2	-12	-\$4,831	0	\$0	0	\$0
FTE and Unobligated Balance Expiring 0172 2021/2021	-8	-\$283	0	\$0	0	\$0
FTE and Unobligated Balance Expiring Reimbursements	-32	-\$2,129	0	\$0	0	\$0
<b>E. Total, Estimated Obligations</b>	<b>592</b>	<b>\$190,921</b>	<b>771</b>	<b>\$193,769</b>	<b>838</b>	<b>\$238,983</b>



# PROGRAM ADMINISTRATION

## SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2023 Revised Enacted	FY 2024 Request	Net Change
<b>Budget Authority</b>			
General Funds	\$118,900	\$157,344	+\$38,444
Trust Funds	\$54,015	\$68,122	+\$14,107
<b>Total</b>	<b>\$172,915</b>	<b>\$225,466</b>	<b>+\$52,551</b>
<b>Full Time Equivalents</b>			
General Funds	452	504	52
Trust Funds	222	250	28
<b>Total</b>	<b>674</b>	<b>754</b>	<b>80</b>

	FY 2024 Change							
	FY 2023 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Increases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Costs of pay adjustments	674	\$84,806	0	\$1,285	0	\$2,829	0	\$4,114
Personnel benefits	0	\$31,042	0	\$476	0	\$1,047	0	\$1,523
Federal Employees' Compensation Act (FECA)	0	\$0	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$33	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$2,283	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$0	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$7,319	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$0	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$200	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$204	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$0	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$6,255	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$39,800	0	\$648	0	\$1,776	0	\$2,424
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	\$0	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$0	0	\$0	0	\$0	0	\$0

# PROGRAM ADMINISTRATION

Explanation of Change	FY 2024 Change							
	FY 2023 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Operation and maintenance of equipment	0	\$13	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$300	0	\$0	0	\$0	0	\$0
Equipment	0	\$308	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$8	0	\$0	0	\$0	0	\$0
<b>Built-Ins Subtotal</b>	<b>674</b>	<b>+\$172,571</b>	<b>0</b>	<b>+\$2,409</b>	<b>0</b>	<b>+\$5,652</b>	<b>0</b>	<b>+\$8,061</b>
<b>B. Programs:</b>								
Absorb IT Contract Inflationary Cost	0	\$0	0	\$5,199	0	\$13,105	0	\$18,304
Restoration of Staff	0	\$0	28	\$6,502	52	\$11,738	80	\$18,240
Civilian Climate Corps	0	\$5,000	0	\$0	0	\$5,000	0	\$5,000
Equity Access & DEIA	0	\$0	0	\$68	0	\$2,932	0	\$3,000
National Apprenticeship System Transformation-Increase Capacity	0	\$0	0	\$0	0	\$174	0	\$174
<b>Programs Subtotal</b>			<b>28</b>	<b>+\$11,769</b>	<b>52</b>	<b>+\$32,949</b>	<b>80</b>	<b>+\$44,718</b>
<b>Total Increase</b>	<b>674</b>	<b>+\$172,571</b>	<b>28</b>	<b>+\$14,178</b>	<b>52</b>	<b>+\$38,601</b>	<b>80</b>	<b>+\$52,779</b>
<b>Decreases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Federal Employees' Compensation Act (FECA)	0	\$344	0	-\$71	0	-\$157	0	-\$228
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>+\$344</b>	<b>0</b>	<b>-\$71</b>	<b>0</b>	<b>-\$157</b>	<b>0</b>	<b>-\$228</b>
<b>B. Programs:</b>								
<b>Programs Subtotal</b>			<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
<b>Total Decrease</b>	<b>0</b>	<b>+\$344</b>	<b>0</b>	<b>-\$71</b>	<b>0</b>	<b>-\$157</b>	<b>0</b>	<b>-\$228</b>
<b>Total Change</b>	<b>674</b>	<b>+\$172,915</b>	<b>28</b>	<b>+\$14,107</b>	<b>52</b>	<b>+\$38,444</b>	<b>80</b>	<b>+\$52,551</b>

## PROGRAM ADMINISTRATION

<b>SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY</b>								
(Dollars in Thousands)								
	FY 2022 Revised Enacted		FY 2023 Revised Enacted		FY 2024 Request		Diff. FY24 Request / FY23 Revised Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Training and Employment</b>	<b>261</b>	<b>78,725</b>	<b>291</b>	<b>78,172</b>	<b>312</b>	<b>103,915</b>	<b>21</b>	<b>25,743</b>
General Funds	222	67,670	247	68,919	265	93,485	18	24,566
Unemployment Trust Funds	39	11,055	44	9,253	47	10,430	3	1,177
<b>Workforce Security</b>	<b>163</b>	<b>43,985</b>	<b>180</b>	<b>46,195</b>	<b>205</b>	<b>59,187</b>	<b>25</b>	<b>12,992</b>
General Funds	12	3,543	13	3,621	15	4,181	2	560
Unemployment Trust Funds	151	40,442	167	42,574	190	55,006	23	12,432
<b>Apprenticeship</b>	<b>138</b>	<b>37,245</b>	<b>159</b>	<b>38,913</b>	<b>186</b>	<b>50,397</b>	<b>27</b>	<b>11,484</b>
General Funds	138	37,245	159	38,913	186	50,397	27	11,484
<b>Executive Direction</b>	<b>43</b>	<b>9,386</b>	<b>44</b>	<b>9,635</b>	<b>51</b>	<b>11,967</b>	<b>7</b>	<b>2,332</b>
General Funds	32	7,245	33	7,447	38	9,281	5	1,834
Unemployment Trust Funds	11	2,141	11	2,188	13	2,686	2	498
<b>Total</b>	<b>605</b>	<b>169,341</b>	<b>674</b>	<b>172,915</b>	<b>754</b>	<b>225,466</b>	<b>80</b>	<b>52,551</b>
<b>General Funds</b>	<b>404</b>	<b>115,703</b>	<b>452</b>	<b>118,900</b>	<b>504</b>	<b>157,344</b>	<b>52</b>	<b>38,444</b>
<b>Unemployment Trust Funds</b>	<b>201</b>	<b>53,638</b>	<b>222</b>	<b>54,015</b>	<b>250</b>	<b>68,122</b>	<b>28</b>	<b>14,107</b>

NOTE: FY 2022 reflects actual FTE.

## PROGRAM ADMINISTRATION

<b>BUDGET AUTHORITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2022 Revised Enacted</b>	<b>FY 2023 Revised Enacted</b>	<b>FY 2024 Request</b>	<b>Diff. FY24 Request / FY23 Revised Enacted</b>
	Full-Time Equivalent				
	Full-time Permanent	605	674	754	80
	Reimbursable	35	84	84	0
	<b>Total</b>	<b>640</b>	<b>758</b>	<b>838</b>	<b>80</b>
	Average ES Salary	\$191,135	\$199,927	\$211,123	\$11,196
	Average GM/GS Grade	13	13	13	0
	Average GM/GS Salary	\$116,011	\$121,348	\$128,143	\$6,795
11.1	Full-time permanent	76,986	82,496	96,953	14,457
11.3	Other than full-time permanent	421	289	289	0
11.5	Other personnel compensation	1,894	2,021	2,021	0
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>79,301</b>	<b>84,806</b>	<b>99,263</b>	<b>14,457</b>
12.1	Civilian personnel benefits	28,533	31,386	36,505	5,119
13.0	Benefits for former personnel	35	33	33	0
21.0	Travel and transportation of persons	1,377	2,283	2,315	32
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	7,535	7,319	7,319	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	268	200	200	0
24.0	Printing and reproduction	250	204	204	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	2,895	6,255	9,454	3,199
25.3	Other goods and services from Federal sources 1/	48,740	39,800	69,528	29,728
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	0	13	13	0
26.0	Supplies and materials	398	300	316	16
31.0	Equipment	0	308	308	0
42.0	Insurance claims and indemnities	9	8	8	0
	<b>Total</b>	<b>169,341</b>	<b>172,915</b>	<b>225,466</b>	<b>52,551</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	43,814	39,800	46,224	6,424
	HHS Services	4,926	0	0	0
	Services by Other Government Departments	0	0	5,000	5,000

## PROGRAM ADMINISTRATION

<b>APPROPRIATION HISTORY</b>					
(Dollars in Thousands)					
	<b>Budget Estimates to Congress</b>	<b>House Allowance</b>	<b>Senate Allowance</b>	<b>Appropriations</b>	<b>FTE</b>
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...1/	\$154,265	\$156,348		\$158,656	726
2019					
Base Appropriation...2/	\$154,265		\$158,656	\$158,656	713
2020					
Base Appropriation...3/4/	\$154,265	\$158,656		\$158,656	610
2021					
Base Appropriation...3/4/	\$171,600	\$158,656		\$158,656	597
2022					
Base Appropriation...5/6/	\$211,503	\$211,503		\$164,415	613
2023					
Base Appropriation	\$222,633			\$172,915	674
2024					
Base Appropriation	\$225,466				754

1/This Bill was passed by the House.

2/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.

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

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

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/The Appropriations amount does not include transfers.

# PROGRAM ADMINISTRATION

## OVERVIEW

The Program Administration (PA) appropriation provides for federal oversight and administration of most Employment and Training Administration (ETA) programs. The FY 2024 request is \$225,466,000 and an estimated 754 full time equivalent (FTE) positions.

The Department requests to increase the PA budget activities overall by \$52,551,000 with an FTE increase of 80 over the FY 2023 Revised Enacted level. This increase is critical for ETA to appropriately manage and oversee new programs and increased funding levels requested, maintain program operations and oversight capacity, and provide timely information to stakeholders, including grantees, Congress, GAO, and the public. The increase is critical to providing needed technical assistance to the workforce system and grantees, which is a bedrock for how ETA seeks to reset the federal-state-local partnership, engage in more effective compliance assistance, and support outcomes related to the Administration's equity and job quality goals. The requested increase includes:

- \$44,718,000 in program increases, including funds to restore FTE levels lost since 2017, absorb staff hired through the American Rescue Plan Act, absorb increases in contracts and staff-related costs, build administrative capacity for the Civilian Climate Corps program, support operations and maintenance and additional enhancements ETA requires in the Department of Health and Human Services (HHS) GrantSolutions system for grant management, transition of additional legacy systems into the Grantee Performance Management System (GPMS), and continued support of the Petition Automated Workflow System (PAWS), Enterprise Business Support System (EBSS), and Cyber Security.
- \$7,833,000 of the requested increase will fund built-in increases supporting a 5.2 percent pay raise, benefits increase, Federal Employment Compensation Act adjustments, and Working Capital Fund inflationary cost increases. These built-in increases are critically important to prevent staff erosion from pay raises and increased benefit costs.

PA's enacted budget authority stayed flat between FY 2017 and FY2021, until Congress provided increases in FY 2022 and FY 2023 to cover inflationary costs, whereas the number of programs and amount appropriated to existing programs has continued to increase substantially. 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.

As a result of stagnant financial resources, ETA saw a net decreases in FTE utilization until the recent appropriation increases enabled the PA account to increase FTE ceilings. Additionally, attrition slowed somewhat, and ETA anticipates operating over ceiling by early FY 2024. In the FY 2023 President's Budget, ETA requested additional funding to strategically backfill 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. The requested funding increases were only partially enacted; therefore, ETA is again requesting additional funds for these purposes in FY 2024. Funding the additional requested FTE in FY 2024 will improve management of existing programs and success of the initiatives proposed in the FY 2024 Budget with the objective of achieving the Secretary's vision of creating a modern, inclusive workforce and to advance the President's priorities associated with

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Advancing Racial and Gender Equity and Support for Underserved Communities through the Federal Government. PA funds will also support the professional development of staff at a time of significant onboarding and provide pathways for career advancement to retain current staff and fill current needs.

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 Credit (WOTC). The PA account will also be the primary source of funding for the Department's administration of newly appropriated workforce development investments.

Federal staff also provide administrative support for financial management and administrative services, including grants management services. Grants management services are provided for the entire Department.

Much of ETA's appropriated funding is expended through grants that implement critical workforce programs and other investments administered and managed by ETA. As of January 20, 2023, ETA had approximately 3,293 active grants, consisting of 2,669 grants assigned to regional Federal Project Officers (FPOs) and 624 grants assigned to national FPOs, with a total funding portfolio of approximately \$36,000,000,000. 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 across the country - including Registered Apprenticeship employers, program sponsors, and joint labor management programs - to maximize program effectiveness; document and disseminate best practices, particularly in the area of diversity, equity, inclusion and accessibility (DEIA); coordinate quality program design and registration; guide federal policy that ensures program quality and worker voice; and support programs in the communities in which they operate.

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 maintain 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

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implement more resilient IT systems and support, reducing fraud, and strengthening overall program performance.

As Registered Apprenticeship has expanded 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 federally managed states and quality assurance and high-impact EEO compliance for over 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 needed to obtain good jobs and build their careers, it will focus on the expansion, diversification and modernization of Registered Apprenticeship, pre-apprenticeship, and youth apprenticeship 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.

The Department requests two-year availability to increase flexibility for program execution. The annual uncertainty in the appropriations timing results in delayed hiring and rushed execution of contracts. The multi-year availability would reduce the impact of short-term continuing resolutions at no cost to the annual appropriations bill. This change would also enhance staff oversight of the programs they are administering.



## PROGRAM ADMINISTRATION

<b>WORKLOAD AND PERFORMANCE SUMMARY</b>				
	<b>FY 2022 Revised Enacted</b>		<b>FY 2023 Revised Enacted</b>	<b>FY 2024 Request</b>
	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>OGM/Grants Management</b>				
<b>Strategic Goal 1 - Build Opportunity and Equity for All</b>				
<b>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.</b>				
ETA-RO-01	Percent of active grant projects that receive a desk review within 30 days after the grantee reports are due.		98.0%[r]	100.0%
			98.0%	98.0%
ETA-RO-02	Percent of grants monitored by regional offices annually		26.0%	30.8%
			26.0%	26.0%

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

# PROGRAM ADMINISTRATION

## Workload and Performance Narrative

With approximately 3,293 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 that FPO's conduct on all new discretionary grants 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 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. In FY 2022, ETA conducted 7,915 quarterly desk reviews, within 30 days after the grantee reports were due, a 99.95% completion rate.

The third tier is an Enhanced Desk Monitoring Review or EDMR, which provides a more intense review of a grantee. The FPOs use additional questionnaires along with grantee staff interviews. FPOs complete EDMRs 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, FPOs typically conduct on-site reviews 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 ETA provides 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.

ETA is proactively changing our monitoring approach to include more technical assistance, with the goal of resetting the federal-state partnership to be more collaborative and assist in reaching marginalized populations or populations with barriers.

In FY 2022, ETA's goal was to monitor 26 percent of grants and ETA monitored 30.81 percent of grants. Regions completed monitoring reviews for 585 grants with 186 staff. Additionally, 99.58 percent of "at risk" grants received intensive TA or monitoring at the close of the fiscal year (236 grants).

## TRAINING AND EMPLOYMENT

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2022 Revised Enacted</b>	<b>FY 2023 Revised Enacted</b>	<b>FY 2024 Request</b>	<b>Diff. FY24 Request / FY23 Revised Enacted</b>
<b>Activity Appropriation</b>	<b>78,725</b>	<b>78,172</b>	<b>103,915</b>	<b>25,743</b>
FTE	261	291	312	21

NOTE: FY 2022 reflects actual FTE. Authorized FTE for FY 2022 was 271.

### **Introduction**

This budget activity provides for the federal administration of programs administered by the Employment and Training Administration (ETA) including Workforce Innovation and Opportunity Act (WIOA) Adult, Youth, and Dislocated Worker employment and training activities; the Trade Adjustment Assistance program; and competitive grant programs, including Indian and Native American, Migrant and Seasonal Farmworker, YouthBuild, Reentry Employment Opportunities, Senior Community Service Employment Program, and H-1B funded competitive grants. The Budget also proposes program increases that ETA would administer under this budget activity, including the WIOA Adult, WIOA Youth, Indian and Native American Program, Reentry Employment Opportunities Program, and Apprenticeship grants, as well as the new Sectoral Employment through Career Training for Occupational Readiness (SECTOR) and Civilian Climate Corps programs. Throughout these existing and proposed initiatives, the Department will increase its focus on managing technical assistance and capacity-building to expand equitable access in securing grants for community-based organizations, Tribes, Historically Black Colleges and Universities (HBCUs), Tribal colleges and technical schools, and minority-serving institutions.

Federal staff work in the national and regional offices and include numerous trained Federal Project Officers (FPOs) who 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, engage with stakeholders, and oversee distribution and tracking of program resources. Staff also

## **TRAINING AND EMPLOYMENT**

develop and operate web tools that provide job, career, and workforce services information to workers, job seekers, and employers.

### 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; act as a resource on a broad range of issues impacting Native Americans; and manage related Federal Advisory Committee Act (FACA) requirements.

### 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.

### 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.

### 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.

### Sectoral Employment through Career Training for Occupational Readiness (SECTOR)

The SECTOR initiative will expand established sector partnerships and ensure a greater focus on equity and diversity in their recruitment, training, and hiring efforts. The SECTOR initiative will also support capacity-building grants to underserved communities to build strong sector partnerships, including through assessing local labor market information, conducting asset mapping, initiating partnership building and visioning with industry and unions, and aligning and leveraging resources to support skills training. Federal staff will be responsible for designing and competing grants, conducting outreach to applicants, delivering technical assistance to grantees, monitoring grant performance and expenditures, and evaluating the initiative.

## 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 through employer outreach efforts.

### Trade Adjustment Assistance (TAA)

Federal staff administering the TAA Program determine group eligibility for workers adversely affected by foreign trade; provide oversight to state workforce agencies administering TAA Program benefits and services; and deliver timely technical assistance, analysis, 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.

The Department's FY 2024 budget request includes a proposal to reauthorize TAA to continue the Reversion 2021 program. The Department also continues to support broader reauthorization efforts that modernize the program to ensure TAA delivers the best mix of benefits and services to assist trade-affected workers' return to employment as quickly as possible. The proposed reauthorization of the TAA program will require continued federal program administration to ensure the availability of benefits and services for trade affected workers.

### Critical Minerals

The House Committee Report (117-403) accompanying the Consolidated Appropriations Act, 2023 (P.L. 117-328) requested an update in the FY 2024 Congressional Budget Justifications on activities related to Critical Minerals.

“Critical Minerals. —The Committee recognizes the importance of critical minerals for use in the United States. In response to this growing need, as part of the Consolidated Appropriations, Act of 2021 (P.L. 116–260), Congress authorized in section 7002 a workforce assessment and workforce development program in the Department of Labor to address mineral security. The Committee requests an update on these efforts in the fiscal year 2024 Congressional Budget Justification.”

The report required under section 7002(k)(1) of the Consolidated Appropriations Act, 2021 was transmitted to the Committees on December 20, 2022. In addition, staff attend meetings and participate on a National Science and Technology Council interagency working group on critical minerals. The Department is prepared to work with the Department of the Interior on the Curriculum Study in subsection (k)(2) and Program Establishment in subsection (k)(3) should funding be made available for these purposes.

# TRAINING AND EMPLOYMENT

## Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2019	\$70,679	300
2020	\$70,679	282
2021	\$70,679	263
2022	\$73,799	271
2023	\$78,172	291

## FY 2024

The FY 2024 Budget requests \$103,915,000 and 312 FTE for Training and Employment.

The Department requests additional funding and FTE to support new programs, manage funding increases to existing competitive and formula grant programs, and build back federal staff lost in recent years. This Budget proposes increases to grant programs administered by federal staff funded by this budget activity. As the account responsible for the Department's administration of these programs, ETA PA will require enhanced resources to manage the existing understaffed workload and to implement new initiatives. In addition to program implementation and oversight, these resources will support customer relationship management for our field and program offices and relations with stakeholders and employers; increased external communications and more regular listening sessions regarding ETA programs, particularly with the communities historically excluded from these programs; and project management/change management to ensure initiatives respond to worker needs, improve the lives of working Americans with career advancement in quality jobs, and are based on and build evidence. These resources also support the extensive support ETA will continue to provide other agencies on incorporating Good Jobs principles into infrastructure investments.

The PA budget authority had not increased since FY 2017, until FY 2022 and FY 2023 when Congress provided an increase to cover inflationary costs, while the number of programs has continued to increase. Approximately \$3,541,000 of the requested increase will fund built-in increases supporting a 5.2 percent pay raise, benefit increase, Federal Employee Compensation Act adjustments, and Working Capital Fund inflationary costs. Additionally, the Department requests \$9,714,000 to absorb personnel pay and benefits increases associated with staff (and contract inflationary costs) who transitioned in FY 2020 to support the Department's Shared Services initiative and fund increased costs for IT systems. These built-in increases are critically important to prevent staff erosion from pay raises and increased benefit costs.

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 at ceiling by early FY 2024. ETA is requesting \$7,488,000 to strategically backfill 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. Staff and contract increases will support Department and Administration priorities on data analytics, DEIA, hiring, regulations and support to service providers. Funding the additional staff will ensure sound management of existing programs and that the initiatives proposed in the FY 2024

## TRAINING AND EMPLOYMENT

Budget are successful at meeting the Secretary's vision of creating a modern, inclusive workforce and the President's priorities associated with Advancing Racial and Gender Equity and Support for Underserved Communities through the Federal Government. As FTE levels increase in FY 2023, ETA is using a portion of its PA budget to provide training and otherwise develop and retain staff to compete in a tight labor market and to ensure a cadre of experienced and expert staff can continue to manage the agency's responsibilities as the most senior staff retire. The importance of adequate expertise, experience, and 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. Additionally, this increase includes \$5,000,000 to build administrative capacity for the proposed Civilian Climate Corps.

ETA staff will continue to be responsible for competing grants for the highest quality applicants; conducting stakeholder outreach for workers, community organizations, and employers; providing technical assistance; overseeing grants; and measuring impact.

Staff will continue to support grantee needs regarding administration of WIOA formula programs that make up the public workforce system including 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, Health and Human Services, Commerce, Transportation, and other partner agencies to build pathways for vulnerable communities into the jobs created by the Bipartisan Infrastructure Law. Specific activities include working with states, local areas, and competitive grantees in expanding their outreach and recruitment strategies to underserved communities and incorporating worker voice into program design; consulting with stakeholders when implementing program changes; working with grantees and business stakeholders to increase job quality; implementing performance accountability requirements including Eligible Training Provider outcomes reporting; continuing assistance to states in implementing strategies from 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 2024, ETA staff will continue to support states and competitive grantees in implementing fundamental changes in design and delivery of services, such as in measuring and addressing gaps in services that lead to inequitable program outcomes for historically marginalized populations, delivering virtual services and virtual training, and expanding the use of worker-center sector strategies to prepare workers and communities for the new jobs and economic expansion from infrastructure, manufacturing, and energy investments.

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.

In FY 2024, the Department will continue to utilize the Department of Health and Human Services (HHS) GrantSolutions system, as a shared service providing grants management

## TRAINING AND EMPLOYMENT

services and will decommission the legacy e-Grants system. The Department awarded the first ETA grants in GrantSolutions in FY 2023. By Q1 FY 2023, the Department provided over \$15,000,000 from Program Administration and the Program Integrity transfer to support ETA's transition and operations within the GrantSolutions system, including incorporating an integrated Grants Risk Monitoring component. Current estimated costs for operations and maintenance of ETA grants in the Grants Solutions environment is approximately \$5,800,000. The Department's grants management system processes and administers approximately \$46,000,000,000 in active grants. Under the Enterprise Shared Services delivery model, the decision was made to migrate all Department grants into the HHS GrantSolutions environment by FY 2023. Major improvements in reliability and functionality will allow stakeholders across the Department's eight grant-making agencies to better process and manage more than 5,100 active grants. 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. ETA also plans to use the increase to support other IT projects and increased IT costs.

The Department's FY 2024 budget request includes a proposal to reauthorize TAA to continue the Reversion 2021 program. The Department also continues to support broader reauthorization efforts. Assuming reauthorization, the Department will continue to support the Operation and Maintenance (O&M) of the Petition Automated Workflow System (PAWS) associated with the investigations and certification of petitions for TAA benefits, as in previous fiscal years. The O&M costs support changes in the IT platform, adjustments to new coding procedures, changes in policy or reporting formats, and fixes to any bugs/deficiencies or upgrades to the system.

### **FY 2023**

Staff continue to support grantee needs regarding administration of all ETA workforce programs. As described in the FY 2024 section above, these activities include providing oversight, technical assistance, and guidance to the workforce system regarding retraining and reemployment; promoting apprenticeship, trade-eligibility and benefits, work-based learning, and high-quality training to allow all Americans to enter and advance in good jobs in a growing economy; and continuing collaboration with the Departments of Education, Health and Human Services, Commerce, Transportation, and other partner agencies. Specific activities include working with states and competitive grantees in implementing performance accountability requirements, including Eligible Training Provider outcomes reporting; assistance to states in preparing workers for quality jobs produced by the Bipartisan Infrastructure Law; supporting more robust data integrity and technology infrastructure to allow for evidence-based decisions and program implementation; administering grant competitions for the REO, YouthBuild, Strengthening Community Colleges, and Workforce Opportunity in Rural Communities programs; and using Dislocated Worker and other resources to respond to the natural and climate-change-driven disasters and short-term and long-term significant economic changes in areas across the country. ETA staff efforts will also continue to build the evidence base for what works in employment and training, through partnership with the Chief Evaluation Officer as the Department evaluates strategies to increase employment outcomes for returning citizens, build capacity for community colleges in delivering labor market-responsive training, and better serve older workers.



## TRAINING AND EMPLOYMENT

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 to help inform legislation.

In FY 2023, the Department will continue to support grants management, performance accountability, case management, and petition certification PAWS platforms. The Department will continue to support two grants management systems during the transition to the HHS GrantSolutions grants management system. ETA's Operations and Maintenance fees for FY2023 in HHS's GrantSolutions grants management system are approximately \$5,500,000 and \$2,200,000 for legacy e-Grants O&M. 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 for all programs. The Department will also continue oversight and full implementation of the Common Reporting Information System (CRIS) to fully capture employment outcomes of competitive grantees that do not have access to UI wage records, as part of regular WIOA performance reporting.

### **FY 2022**

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:

1. Responded to the needs of changing economies with disaster DWGs and economic recovery DWGs, and issued guidance and technical assistance on adjusting workforce programs to ensure workers of all races, ethnicities, genders, and ability status could enter and advance in quality jobs;
2. Published grant opportunities to creatively provide quality training and work-based learning, including apprenticeship programs, for American workers and administered grant competitions for Workforce Opportunity for Rural Communities, Strengthening Community Colleges, YouthBuild, Reentry Employment Opportunities, Workforce Pathways for Youth, and Indian and Native American programs;
3. Assisted stakeholders in continuous improvement using WIOA performance measures across grant programs, as well as increasing reporting and data integrity consistency;
4. 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;
5. Published guidance on program operations to indicate the program entered a phase-out termination status on July 1, 2022. Under termination, the Department will continue to provide technical assistance and allocated funding to assist grantees in implementing WIOA TAA statutory and regulatory requirements;
6. Continued to support assessment models for TAA outreach and state collaborations that increase TAA peer engagements and continuous improvement activities;
7. Strengthened collaboration with relevant Federal and state agencies to promote a strong and integrated workforce system responsive to workers' needs;

## TRAINING AND EMPLOYMENT

8. Developed and executed new models for workforce programs and analysis of performance data;
9. Implemented various new IT requirements to increase security and reliability of ETA systems;
10. Maintained accountability and oversight for ETA's investment portfolio to ensure conformity with statutes, compliance with regulations, and fiscal accountability; and
11. Supported the program offices in their procurement, grants management, and human resource needs.

In FY 2022, the Department began the development for the migration of grants from the legacy E-Grants system to the HHS Grant Solutions grants management system. The system requirements included data from Grant Solutions to be stored into the Department's data warehouse which will then feed to the Workforce Integrated Performance System (WIPS). The Department continued building an integrated performance reporting system that brings ETA's IT profile towards conformity with WIOA performance reporting requirements for all programs. By integrating directly with WIPS, GPMS is helping to align data collections with WIOA reporting requirements and providing additional reporting and data analytics features, work that led to deployment and enhanced reporting for the Indian and Native American and YouthBuild programs.

## TRAINING AND EMPLOYMENT

<b>WORKLOAD AND PERFORMANCE SUMMARY</b>						
	<b>FY 2022 Revised Enacted</b>		<b>FY 2023 Revised Enacted</b>	<b>FY 2024 Request</b>		
	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>		
<b>Training and Employment</b>						
<b>Strategic Goal 1 - Build Opportunity and Equity for All</b>						
<b>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.</b>						
ETA-OTAA-02	Median TAA Petition Processing Time (MPT) in Days		55	66	50	40
ETA-OTAA-03	Percent of Petitions Processed in Compliance with Established Review Procedures (ERP)		95.0%	97.5%	96.0%	96.0%

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

## TRAINING AND EMPLOYMENT

### Workload and Performance Narrative

ETA uses Median Processing Time (MPT) as the measure for timely TAA investigations because it 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 distinct outliers that may skew averages.

From October 1, 2021, through June 30, 2022 (the termination date), the Department was able to complete 410 investigations. Only 28 TAA investigations were not completed due to the untimeliness of the petition filings just prior to July 1, 2022, the start of the TAA phaseout termination. The Department is requesting in the FY 2024 Budget to reauthorize the Reversion 2021 program while also continuing to support broader reauthorization reforms that innovate and modernize TAA to ensure the program delivers the best mix of benefits and services to assist trade-affected workers return to employment as quickly as possible.

If TAA is reauthorized, ETA will resume using the established criteria, forms, regulations, and performance reporting requirements as administered in FY 2021. The targets for completing MPT will be 40 days according to the TAA statute and the ERP will remain at FY 2023 levels of 96% efficiency rate. Processing times may be impacted and are predicated upon whether there is an influx of petition filings or backlog of petitions due to actions by Congress. The PAWS will establish a means for more efficient investigations and will help reduce the caseloads and processing times for investigations.

If Congress does not extend the authorization period in FY 2023 or FY 2024, or take other action through appropriations or authorization legislation, the TAA Program will only serve currently eligible TAA participants until the last person exists the program.

## TRAINING AND EMPLOYMENT

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2022 Revised Enacted</b>	<b>FY 2023 Revised Enacted</b>	<b>FY 2024 Request</b>	<b>Diff. FY24 Request / FY23 Revised Enacted</b>
11.1	Full-time permanent	33,780	34,550	39,125	4,575
11.3	Other than full-time permanent	233	5	5	0
11.5	Other personnel compensation	796	812	812	0
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>34,809</b>	<b>35,367</b>	<b>39,942</b>	<b>4,575</b>
12.1	Civilian personnel benefits	12,497	13,328	14,917	1,589
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	568	720	728	8
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	3,201	3,172	3,172	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	36	4	4	0
24.0	Printing and reproduction	150	100	100	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	1,565	4,511	7,217	2,706
25.3	Other goods and services from Federal sources 1/	25,795	20,714	37,574	16,860
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	0	12	12	0
26.0	Supplies and materials	95	100	105	5
31.0	Equipment	0	136	136	0
42.0	Insurance claims and indemnities	9	8	8	0
	<b>Total</b>	<b>78,725</b>	<b>78,172</b>	<b>103,915</b>	<b>25,743</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	20,869	20,714	22,860	2,146
	HHS Services	4,926	0	0	0
	Services by Other Government Departments	0	0	5,000	5,000

# TRAINING AND EMPLOYMENT

## CHANGES IN FY 2024

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$1,860
Personnel benefits	688
Federal Employees' Compensation Act (FECA)	-103
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	1,096
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** **\$3,541**

**Net Program** **\$22,202**

**Direct FTE** **21**

	Estimate	FTE
<b>Base</b>	<b>\$81,713</b>	<b>291</b>
<b>Program Increase</b>	<b>\$22,202</b>	<b>21</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>

# WORKFORCE SECURITY

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2022 Revised Enacted</b>	<b>FY 2023 Revised Enacted</b>	<b>FY 2024 Request</b>	<b>Diff. FY24 Request / FY23 Revised Enacted</b>
<b>Activity Appropriation</b>	<b>43,985</b>	<b>46,195</b>	<b>59,187</b>	<b>12,992</b>
FTE	163	180	205	25

NOTE: FY 2022 reflects actual FTE. Authorized FTE for FY 2022 was 165.

## **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.

## **Unemployment Insurance**

Federal staff provide leadership, legislative and performance oversight, policy guidance, technical assistance, training, and financial 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 resources also focus on measuring, evaluating, and improving performance in the UI program 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. The National Monitor Advocate and Regional Monitor Advocates review the provision of ES, benefits and protections to migrant and seasonal farmworkers, the functioning of state complaint systems, and compliance of state ES offices with applicable laws, regulations, and

## WORKFORCE SECURITY

directives. The Monitor Advocate System helps to ensure migrant and seasonal farmworkers receive equitable access to ES compared to non-migrant and seasonal farmworkers.

### 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](http://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>
2019	\$42,704	200
2020	\$42,704	173
2021	\$42,704	163
2022	\$43,985	165
2023	\$46,195	180

### FY 2024

The FY 2024 Budget requests \$59,187,000 and 205 FTE for Workforce Security.

The PA enacted budget authority remained flat between FY 2017 and FY 2021, except through one-time enactment of supplemental funding during the pandemic. In FY 2022 and FY 2023, Congress provided an increase to cover inflationary costs. The supplemental funds provided in the American Rescue Plan Act in 2021 enabled the Department to begin modernizing the unemployment insurance system. In recognition of the impact of the low level of staffing and to respond to this situation, Congress authorized a one-time appropriation of \$8,000,000 for necessary expenses to conduct Federal activities relating to the administration of unemployment compensation programs in Section 9031 of the American Rescue Plan Act (Pub. L. 117-2). The Department used the \$8,000,000 to make essential improvements in the administration of the unemployment compensation programs, filling critical positions that had been left vacant for many years and enhancing critical functional areas that had been only one FTE deep. As the one-time \$8,000,000 is expended, the Department now seeks \$5,700,000 of new funding to continue employing the staff who were brought onboard to shore up the oversight and administration of



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unemployment compensation programs. To continue to maintain these staffing resources and the added capacity to oversee UI programs in FY 2024 and beyond, PA requires incremental increases to absorb these federal staff as the supplemental funding runs out.

Approximately \$2,093,000 of the increase will fund built-in increases supporting a 5.2 percent pay raise, benefits increase, Federal Employee Compensation Act adjustments, and Working Capital Fund inflationary costs. Additionally, the Department requests \$5,199,000 to absorb personnel pay and benefits increases associated with staff (and contract inflationary costs) who transitioned in FY 2020 to support the Department's Shared Services initiative and fund increased costs for IT systems. These built-in increases are critically important to prevent reductions in FTE from pay raises and increased personnel benefit costs.

The 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. The pandemic highlighted the impacts of lack of adequate staff overseeing this critical program. In June 2022, the Government Accountability Office (GAO) added the Unemployment Insurance program to the GAO's list of designated high-risk programs and recommended that the Department pursue transformative improvements to the program. These added staff are critical to the Department's ability to pursue much-needed transformative improvements. The resources requested will ensure continuity of operations and improvements in the following core areas of administering UC programs:

- Staff dedicated to supporting strategies to prevent, detect, and recover fraud and improper payments in the Unemployment Insurance programs.
- Improved guidance, technical assistance, and training to states regarding strategies to prevent, detect, and recover improper payments, including Benefit Payment Control (BPC). With the huge growth in claims volume over prior years, improper payment activity remains significantly higher than usual. This added staff will also help monitor fraud prevention strategies to reduce unintended negative impacts on communities of color.
- Enhanced oversight and performance of key functions related to the unemployment compensation programs, including developing guidance and technical assistance resources for states, ensuring appropriate corrective actions are taken when needed regarding state operations of the programs, and overseeing the administrative funding provided to states.
- Oversight and monitoring of states' use of \$1,500,000,000 in new grants offered to state unemployment insurance agencies since FY 2021 for administration of the temporary pandemic programs; and for fraud prevention, improved equity, process improvements and timely delivery of benefits, and Information Technology (IT) enhancement projects regarding the regular UI program.
- Business analyst and subject matter expert support in the development and implementation of federal unemployment insurance technologies.
- Reduced risk associated with oversight and support of Unemployment Tax Operations, a program through which states collect over \$34,000,000,000 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 audits

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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, including the collection and analysis of more detailed demographic data associated with key functions in UC programs to better inform policies and procedures to improve equitable access to the programs.
- Improved guidance, technical assistance, and training to states regarding program performance, which has been significantly and negatively impacted by the unprecedented claims volume and the operations of the new temporary UI programs, with the goal of improving the UC programs, increasing awareness of the programs to underserved populations, and increasing the timely delivery of UI benefits.

ETA also plans to use the increase to support developing and existing IT systems. A portion of the funds will be used to support IT costs associated with cybersecurity, and operations and maintenance of IT systems supporting all programs. 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.

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 and the subsequent economic recovery. ETA continues to develop strategies focused on prevention, detection, and recovery of improper payments. 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. 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 by conducting an eligibility review and developing a reemployment plan that connects them to appropriate reemployment services. The latest available research on the RESEA program found that it reduces the average duration of UI benefit receipt by 1.8 weeks for participating claimants, resulting in significant levels of benefit savings.

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In summary, in FY 2024 federal staff will:

- monitor and oversee over \$3,998,000,000 in grants to 53 state UI and ES agencies in addition to continued monitoring and oversight of \$1,515,000,000 offered to state UI agencies through ARPA to detect and prevent fraud, promote equitable access, and ensure timely payment of benefits in the UI system;
- provide direct oversight and technical assistance to state UI agencies enhancing the timely delivery of benefits, the quality of adjudications and appeals decisions, and the overall operations of the UI system;
- provide direct oversight and technical assistance to state UI agencies enhancing the prevention, detection, and recovery of fraudulent and improper payments;
- formulate, communicate, and analyze UI and ES policies;
- develop and analyze critical economic and employment data, including sharing information on growing skills and job demand from the Bipartisan Infrastructure Law;
- measure performance and encourage continuous improvement throughout the UI, ES, and Labor Market Information (LMI) systems, including receiving recommendations from the Workforce Information Advisory Committee;
- review state employment services to migrant and seasonal farmworkers to ensure farmworkers are afforded the same economic advancement opportunities as non-farmworkers;
- provide oversight and technical assistance to states in reviewing Work Opportunity Tax Credit certification requests; and
- work with states to develop state laws and operating procedures that comply with federal laws and regulations.

### **FY 2023**

Federal staff will monitor and oversee over \$3,300,000,000 in grants to 53 state UI agencies in addition to \$1,515,000,000 in grants offered to state UI agencies through ARPA; 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. Federal staff will continue to support universal access to employment services, including through regulations, policy guidance, and technical assistance such as webinars and calls with states. Federal staff will also provide support to State Monitor Advocate and states program directors on reviewing employment services to migrant and seasonal farmworkers, focused on safe working conditions and orderly payment of wages.

As described in the FY 2024 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 2023 to promote the use of SIDES to reduce improper payments due to separation errors.

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The Department will continue to 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.

During FY 2023, the Department will evaluate and determine whether any additional program integrity transfer will be needed.

### **FY 2022**

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 2022, 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.
2. Providing program integrity training through UI National Academy 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. A new Behavioral Insights toolkit was developed for states to use in FY 2022.
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 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, 40 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 2022 was the fourth 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.

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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 enhanced integrity solutions through the UI Integrity Center's Identity Data Hub. In December 2018, ETA transferred \$3,000,000 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 used these funds 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 December 31, 2022, 42 states were regularly using the identity verification service offered through the Integrity Data Hub.

During FY 2021, the Department used the FY 2020 program integrity transfer to fund the procurement and integration of a Bank Account Verification (BAV) service, which aids states in proactively identifying and authenticating bank account information provided by an unemployment compensation (UC) claimant. This service was made available to states in February 2022 and as of December 31, 2022, the BAV service is being used by 34 states. During FY 2022, transaction activity did not require the Department to utilize the program integrity transfer to further support these activities.

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<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2022 Revised Enacted</b>	<b>FY 2023 Revised Enacted</b>	<b>FY 2024 Request</b>	<b>Diff. FY24 Request / FY23 Revised Enacted</b>
11.1	Full-time permanent	21,037	22,781	27,112	4,331
11.3	Other than full-time permanent	1	104	104	0
11.5	Other personnel compensation	522	551	551	0
11.9	<b>Total personnel compensation</b>	<b>21,560</b>	<b>23,436</b>	<b>27,767</b>	<b>4,331</b>
12.1	Civilian personnel benefits	7,834	8,644	10,185	1,541
13.0	Benefits for former personnel	15	13	13	0
21.0	Travel and transportation of persons	385	750	760	10
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	2,601	2,578	2,578	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	54	48	48	0
24.0	Printing and reproduction	50	52	52	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	148	318	326	8
25.3	Other goods and services from Federal sources 1/	11,180	10,204	17,301	7,097
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	0	0	0	0
26.0	Supplies and materials	158	152	157	5
31.0	Equipment	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>43,985</b>	<b>46,195</b>	<b>59,187</b>	<b>12,992</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	11,180	10,204	12,102	1,898

# WORKFORCE SECURITY

## CHANGES IN FY 2024

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$1,099
Personnel benefits	407
Federal Employees' Compensation Act (FECA)	-61
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	648
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** **\$2,093**

**Net Program** **\$10,899**

**Direct FTE** **25**

	Estimate	FTE
<b>Base</b>	<b>\$48,288</b>	<b>180</b>
<b>Program Increase</b>	<b>\$10,899</b>	<b>25</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>





## APPRENTICESHIP

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2022 Revised Enacted</b>	<b>FY 2023 Revised Enacted</b>	<b>FY 2024 Request</b>	<b>Diff. FY24 Request / FY23 Revised Enacted</b>
<b>Activity Appropriation</b>	<b>37,245</b>	<b>38,913</b>	<b>50,397</b>	<b>11,484</b>
FTE	138	159	186	27

NOTE: FY 2022 reflects actual FTE. Authorized FTE for FY 2022 was 134.

### **Introduction**

The Employment and Training Administration’s Office of Apprenticeship (OA) utilizes PA resources to oversee the National Registered Apprenticeship system. On February 17, 2021, the President announced actions to bolster Registered Apprenticeship and has proposed significant investments in Registered Apprenticeship (RA). The Bipartisan Infrastructure Law (BIL), the Inflation Reduction Act (IRA), and Creating Helpful Incentives to Produce Semiconductors and Science Act (CHIPS) will drive new demand for Registered Apprenticeship in traditional industries such as construction and new industries such as semiconductor manufacturing and clean energy development and deployment while also presenting a historic opportunity to achieve greater equity in these high quality and well-paying career opportunities.

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 national, state, and local levels by (but not limited to):

- Issuing policy and guidance related to the National Apprenticeship Act;
- Conducting outreach and promotion activities to labor, industry, workforce, education, and other organizations to increase awareness of the benefits of apprenticeship;
- Promoting the development and registration of new programs and occupations;

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- Developing and registering high-quality apprenticeship programs that meet federal standards;
- Issuing apprentices nationally recognized and portable certificates of completion;
- Providing oversight and technical assistance to registered apprenticeship programs, which includes:
  - Assuring that all programs provide high-quality learning;
  - Ensuring equal employment opportunity (EEO) and worker voice in Registered Apprenticeship programs;
  - Assisting programs in improving their recruitment of under-represented populations to help programs better reflect the diversity of America’s workforce;
- Promoting partnerships of Registered Apprenticeship with the workforce system; other federal programs and agencies, including the Department of Education; Minority Serving Organizations, HBCUs, and others;
- Providing oversight and technical assistance to State Apprenticeship Agencies, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam.
- Providing leadership and critical oversight functions for grant and contract initiatives (TES-funded apprenticeship initiatives) totaling over \$1,000,000,000 in managed investments.

### **Five-Year Budget Activity History**

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2019	\$36,160	168
2020	\$36,160	110
2021	\$36,160	133
2022	\$37,245	134
2023	\$38,913	159

### **FY 2024**

In FY 2024, the Department is requesting \$50,397,000 and 186 FTE for oversight of the National Apprenticeship system; program expansion and administration; expertise in DEIA; and compliance and monitoring activities. This is an increase of \$11,484,000 and 27 FTE over the FY 2023 Revised Enacted appropriation. Since FY 2017, Congress has increased funding within the Training and Employment Service appropriations account for Apprenticeship activities, but PA funding to administer the program remained stagnant until FY 2022 and FY 2023 when Congress provided an increase to cover inflationary costs. In addition to activities listed below, the increased budget will help the Department to enhance federal oversight and monitoring of grantees and contractors to ensure high performance of the Department’s federal investments in apprenticeship.

For FY 2024, the requested apprenticeship funding would allow the Department to ensure program integrity and position the agency to deliver on its promise to build up the American workforce by promoting jobs that are safe, pay a fair wage, do not discriminate or cause exploitation/social harms, have opportunity for advancement, and give workers a seat at the table

## **APPRENTICESHIP**

and a say in their work. The PA funding increase will allow OA to deliver responsive, excellent, and equitable technical assistance to labor, industry, and workers to create more high-road partnerships and to advance racial and gender equity through expanded quality program and EEO compliance reviews.

In addition to FTE necessary to fully implement core functions of the National Apprenticeship System and increasing program growth to take on additional responsibilities for youth apprenticeship and pre-apprenticeship, approximately \$1,763,000 of the increase will fund built-in increases to support a 5.2 percent pay raise, benefits increase, Federal Employees Compensation Act adjustments, and Working Capital Fund inflationary costs. Additionally, the Department requests \$3,391,000 to absorb personnel pay and benefits increases associated with staff (and contract inflationary costs) who transitioned in FY 2020 to support the Department's Shared Services initiative and fund increased costs for IT systems. These built-in increases are critically important to prevent staff erosion from pay raises and increased benefit costs.

As the Department moves forward in FY 2024, ETA continues to integrate equity work into all its apprenticeship staff roles and responsibilities to best serve the Department's objectives in promoting diversity in apprenticeship by establishing greater alignment of outreach, recruitment, and on-ramps with the apprenticeship opportunities being created. This work aligns closely with recommendations made by the Secretary's Advisory Committee on Apprenticeship.

### **FY 2023**

In FY 2023, Department is focused on implementing the Administration's actions to expand Registered Apprenticeship opportunities, especially for historically underserved communities. Federal staff continue to provide leadership and critical oversight functions for the National Apprenticeship system. Additionally, staff will continue to oversee over 33 apprenticeship contracts, 159 apprenticeship grants, and 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 2022**

In FY 2022, the Department focused on apprenticeship expansion efforts, including responding to continued high levels of Registered Apprenticeship activity. Staff oversaw over 27 apprenticeship contracts, 155 apprenticeship grants, and several other competitive grant programs across ETA utilizing apprenticeship strategies. The Department supported critical IT modernization projects, including Customer Relations Management (CRM) solutions, a key aspect of modernizing customer support, interaction, and servicing.

## APPRENTICESHIP

<b>WORKLOAD AND PERFORMANCE SUMMARY</b>				
	<b>FY 2022 Revised Enacted</b>		<b>FY 2023 Revised Enacted</b>	<b>FY 2024 Request</b>
	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Apprenticeship</b>				
<b>Strategic Goal 1 - Build Opportunity and Equity for All</b>				
<b>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.</b>				
ETA-OA-03	Number of EEO/ Extended Apprenticeship Program Reviews Conducted		300	359
			350	400
ETA-OA-05	Total Annual Number of Apprentices Served (Rolling 4 Quarters)		--	835,632
			850,000	900,000

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

# APPRENTICESHIP

## **Workload and Performance Narrative**

In FY 2024, OA will measure and report the total annual number of apprentices served. The baseline in FY 2021 was approximately 809,000. The number of apprentices served covers all apprentices currently enrolled as well as those who have completed or cancelled in their program during the FY. This provides the most complete representation of total apprentice activity from year-to-year. The number of apprentices served is in alignment with the measure of participant activity in the WIOA system. DOL anticipates growth returning in FY 2023 due to new investments and other administration efforts. Data such as demographic/DEIA data, completion data, number of high-impact reviews, program registrations, and other program management data will also be tracked.

## APPRENTICESHIP

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2022 Revised Enacted</b>	<b>FY 2023 Revised Enacted</b>	<b>FY 2024 Request</b>	<b>Diff. FY24 Request / FY23 Revised Enacted</b>
11.1	Full-time permanent	16,046	19,210	23,627	4,417
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	457	508	508	0
11.9	<b>Total personnel compensation</b>	<b>16,503</b>	<b>19,718</b>	<b>24,135</b>	<b>4,417</b>
12.1	Civilian personnel benefits	5,936	7,169	8,752	1,583
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	359	584	595	11
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	1,201	1,021	1,021	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	178	148	148	0
24.0	Printing and reproduction	50	52	52	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	1,172	1,234	1,416	182
25.3	Other goods and services from Federal sources 1/	11,761	8,782	14,068	5,286
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	0	1	1	0
26.0	Supplies and materials	85	32	37	5
31.0	Equipment	0	172	172	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>37,245</b>	<b>38,913</b>	<b>50,397</b>	<b>11,484</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	11,761	8,782	10,677	1,895

# APPRENTICESHIP

## CHANGES IN FY 2024

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$926
Personnel benefits	343
Federal Employees' Compensation Act (FECA)	-51
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	545
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** **\$1,763**

**Net Program** **\$9,721**

**Direct FTE** **27**

	Estimate	FTE
<b>Base</b>	<b>\$40,676</b>	<b>159</b>
<b>Program Increase</b>	<b>\$9,721</b>	<b>27</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>





## EXECUTIVE DIRECTION

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2022 Revised Enacted</b>	<b>FY 2023 Revised Enacted</b>	<b>FY 2024 Request</b>	<b>Diff. FY24 Request / FY23 Revised Enacted</b>
<b>Activity Appropriation</b>	<b>9,386</b>	<b>9,635</b>	<b>11,967</b>	<b>2,332</b>
FTE	43	44	51	7

NOTE: FY 2022 reflects actual FTE. Authorized FTE for FY 2022 was 43.

### **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 through legislative relations, regulatory development, sub-regulatory guidance, evidence-building activities, performance management, and data analytics 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;
- Leveraging data as a strategic asset to improve performance and outcomes through data analytics and use of evidence-based information to enable learning, innovation, and engagement that allows ETA to make informed decisions and policies;
- Developing and supporting evidence building activities and providing technical assistance to the public workforce system performing research and evaluation;
- Collecting, analyzing, validating, and reporting 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;
- Developing the agency’s Regulatory Agenda and supporting regulatory activities; and

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- Oversight of the official agency system for disseminating guidance and notices.

### Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2019	\$9,113	45
2020	\$9,113	45
2021	\$9,113	38
2022	\$9,386	43
2023	\$9,635	44

### FY 2024

The FY 2024 Budget requests \$11,967,000 and 51 FTE for Executive Direction.

PA's budget authority remained flat between FY 2017 and FY 2021 resulting in loss of staff capacity despite expanding roles and requirements. In FY 2022 and FY 2023, Congress provided an increase to cover inflationary costs. In addition to executive leadership for an expanding number of programs and increased program funding, Executive Direction now supports expanded efforts in data governance and analytics, as well as DEIA, both critical to the agency's ability to ensure that its grantees provide equitable and effective services to program participants. The requested increase will support restoring staff to levels prior to 2017. Staff and contract increases will support Department and Administration priorities on data analytics, DEIA, hiring, regulations, and support to service providers.

In addition, approximately \$436,000 of the increase will fund built-in increases supporting a 5.2 percent pay raise, benefits increase, Federal Employee Compensation Act adjustments, and Working Capital Fund inflationary costs. These built-in increases are critically important to prevent staff erosion from pay raises and increased benefit costs.

The additional resources requested will enable ETA to advance the Department and Agency's goals to transform the workforce system to meet the needs of workers Morning, Noon and Night and support the President's Management Agenda by strengthening and empowering ETA's workforce, ensuring the Department's grantees are delivering excellent services and improved customer experience. Specifically, the additional resources would enable ETA to:

- Invest in and improve the service design, digital products, and customer experience management of the Department's grantees by increasing the agency's capacity for econometrics and statistical modeling.
- Apply data management and data science capabilities by focusing on a portfolio of ETA-wide data analytics and data governance activities and increasing capacity for econometrics and statistical modeling – to expand, for instance, the availability of statistical modeling available at the state level to local areas to tailor the services they provide to local employers, workers, and jobseekers.
- Build a unit focused on internal and external stakeholder engagement, including Federal, non-federal, non-governmental, and private sector entities that would create and

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disseminate best practices to businesses on hiring and advancing marginalized populations into quality jobs with career pathways.

- Focus on DEIA internally to achieve a workforce that reflects the diversity of our country in the right roles across the agency to effectively achieve the ETA mission.
- Direct agency efforts to increase our knowledge, practice and understanding of DEIA to support the critical priority of ensuring these values are upheld and projected throughout ETA programs – thereby improving the services delivered by a modern and inclusive public workforce system to workers and jobseekers and ensuring equitable results.
- Support equity-related priorities by supporting and empowering communities that have been historically marginalized. Funding these equity efforts will position ETA to emphasize the power of community engagement by systematically establishing partnerships with colleges and universities that serve underrepresented populations and communities, conducting public outreach to better understand barriers to participate in discretionary grant programs, developing new methods to engage with marginalized communities, establishing channels for diverse voices and community inclusion to identify underserved needs while promoting DOL/ETA as a Model Workplace.
- Support the coordination and alignment of federal workforce funds going into the field as a result of new legislation including CHIPS, IRA, and the Bipartisan Infrastructure Law.

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 and workforce system stakeholders 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, satisfying statutory reporting requirements, meeting Congressional requests, conducting key rulemaking activities, and responding to auditors to ensure program efficiency and effectiveness. Taking on new policy initiatives to further advance the Department's vision and the President's Management Agenda will be difficult without additional resources.

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 support to evidence-building activities. This leadership support is critical to ETA's Program Offices as they implement strategies to achieve the Department's performance goals. In FY 2024, these staff, collaborating with the Office of the Chief Information Officer (OCIO), will continue to maintain ETA's performance reporting systems, simplify data entry for stakeholders, and improve data analysis capabilities.

Through the active engagement of OASET and OPDR, ETA leadership and Program Office Administrators obtain actionable intelligence to assess and improve the operation, effectiveness, and efficiency of the public workforce system.

OPDR staff leads the development of the agency's strategic planning efforts including the overarching DOL Strategic Plan, Agency Priority Goals, and the annual Agency Management Plan. Through these activities, ETA establishes priorities, sets agency goals, identifies actions and activities to achieve those goals, defines measures and milestones, and reports on progress.

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OPDR also coordinates ETA efforts to leverage data as a strategic asset by developing data governance frameworks, convening the ETA Data Board, implementing DOL data management policies, and satisfying statutory requirements related to data (as established by the Evidence Act and other laws). OPDR analysts leverage internal and external datasets to answer research questions, build tools, model data, and create visualizations that assist leadership in making evidence-based decisions, automate routine tasks, and increase the analytical capacity of ETA staff.

OPDR staff interpret evidence-based information 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. ETA seeks to learn from state experiences and create peer support to expand emerging and promising practices supported with evidence-based findings.

OPDR also manages ETA program performance reporting and analysis; publishes performance information, including the TrainingProviderResults.gov website; provides the information, tools, and data exchange mechanisms 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 2023, OPDR will continue to serve as ETA's liaison to these agencies and coordinate the agency's participation in GAO audits, responses to OCIA inquiries and requests, and contribution to international engagements. OPDR will also continue to administer the ETA Regulatory Agenda, support the Department's regulatory and de-regulatory efforts, and support the Department's evidence-building 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.

### **FY 2023**

In FY 2023, 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 2023, 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

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evaluation capability. In addition, staff work on execution of the agency's Regulatory Agenda, including publishing proposed and final rules.

OPDR's Division of Data Analytics and Strategic Planning (created in December 2020) is responsible for data analytics, data governance, and strategic planning. OPDR provides leadership to the agency's strategic planning lifecycle, including for external facing plans such as the Department's Strategic Plan and Agency Priority Goals as well as internal planning efforts creating critical alignment with Administration and Secretarial priorities that serve as guiding principles to agency offices. OPDR leads the ETA Data Board building capacity and structures governing the agency's data and performing critical deep dive data analysis to inform programmatic improvements, decision making and policy.

### **FY 2022**

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 evidence-building efforts. This leadership support was critical to the Program Offices as they implemented strategies to achieve the Department's performance goals.

Proposed and final rules published included: 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); Adverse Effect Wage Rate Methodology for the Temporary Employment of H-2A Nonimmigrants in Non-Range Occupations in the United States; WIOA Effectiveness in Serving Employers Performance Indicator (Joint proposed rule with the Department of Education); WIOA Title I Non-Core Programs Effectiveness in Serving Employers Performance Indicator (Proposed rule); Wagner-Peyser Act Staffing (Proposed rule); Senior Community Service Employment Program Conforming Changes to the Supporting Older Americans Act of 2020 (Proposed rule); and Apprenticeship Programs, Labor Standards for Registration, Amendment of Regulations (Proposed rule).

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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<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2022 Revised Enacted</b>	<b>FY 2023 Revised Enacted</b>	<b>FY 2024 Request</b>	<b>Diff. FY24 Request / FY23 Revised Enacted</b>
11.1	Full-time permanent	6,123	5,955	7,089	1,134
11.3	Other than full-time permanent	187	180	180	0
11.5	Other personnel compensation	119	150	150	0
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>6,429</b>	<b>6,285</b>	<b>7,419</b>	<b>1,134</b>
12.1	Civilian personnel benefits	2,266	2,245	2,651	406
13.0	Benefits for former personnel	20	20	20	0
21.0	Travel and transportation of persons	65	229	232	3
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	532	548	548	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	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	10	192	495	303
25.3	Other goods and services from Federal sources 1/	4	100	585	485
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	0	0	0	0
26.0	Supplies and materials	60	16	17	1
31.0	Equipment	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>9,386</b>	<b>9,635</b>	<b>11,967</b>	<b>2,332</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	4	100	585	485

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## CHANGES IN FY 2024

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$229
Personnel benefits	85
Federal Employees' Compensation Act (FECA)	-13
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	135
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** **\$436**

**Net Program** **\$1,896**

**Direct FTE** **7**

	Estimate	FTE
<b>Base</b>	<b>\$10,071</b>	<b>44</b>
<b>Program Increase</b>	<b>\$1,896</b>	<b>7</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>