

FY 2021

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Program Administration

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PROGRAM ADMINISTRATION

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APPROPRIATION LANGUAGE

For expenses of administering employment and training programs, [\$108,674,000] \$121,307,000, together with not to exceed [\$49,982,000] \$50,293,000 which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund. *In addition, contingent upon enactment of authorizing legislation, \$11,000,000 shall be derived by transfer from funds provided under the heading “Social Security Administration—Limitation on Administration Expenses” for the Federal administration of the Ticket to Work and Self-Sufficiency Program by the Secretary of Labor.*

(Department of Labor Appropriations Act, 2020.)

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EXPLANATION OF LANGUAGE CHANGE

Language Provision

In addition, contingent upon enactment of authorizing legislation, \$11,000,000 shall be derived by transfer from funds provided under the heading "Social Security Administration—Limitation on Administration Expenses" for the Federal administration of the Ticket to Work and Self-Sufficiency Program by the Secretary of Labor

Explanation

The proposed language will transfer funds from the Social Security Administration to ETA Program Administration to cover the costs of federal staff administering the Ticket to Work program.

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AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2019 Enacted		FY 2020 Enacted		FY 2021 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	464	\$108,674	453	\$108,674	453	\$121,307
<i>Subtotal Appropriation</i>	<i>464</i>	<i>\$108,674</i>	<i>453</i>	<i>\$108,674</i>	<i>453</i>	<i>\$121,307</i>
Offsetting Collections From:						
Reimbursements	13	\$3,001	16	\$3,095	16	\$3,095
Trust Funds	249	\$49,982	233	\$49,982	233	\$50,293
<i>Subtotal Offsetting Collections</i>	<i>262</i>	<i>\$52,983</i>	<i>249</i>	<i>\$53,077</i>	<i>249</i>	<i>\$53,388</i>
B. Gross Budget Authority	726	\$161,657	702	\$161,751	702	\$174,695
Shared Services Re-alignment	-66	\$0	-66	\$0	-66	\$0
Offsetting Collections						
Reimbursements	-13	-\$3,001	-16	-\$3,095	-16	-\$3,095
<i>Subtotal Deduction</i>	<i>-79</i>	<i>-\$3,001</i>	<i>-82</i>	<i>-\$3,095</i>	<i>-82</i>	<i>-\$3,095</i>
C. Budget Authority Before Committee	647	\$158,656	620	\$158,656	620	\$171,600
Offsetting Collections From:						
Reimbursements	13	\$3,001	16	\$3,095	16	\$3,095
<i>Subtotal Offsetting Collections</i>	<i>13</i>	<i>\$3,001</i>	<i>16</i>	<i>\$3,095</i>	<i>16</i>	<i>\$3,095</i>
D. Total Budgetary Resources	660	\$161,657	636	\$161,751	636	\$174,695
FTE and Unobligated Balance Expiring	-27	-\$363	0	\$0	0	\$0
Shared Services Re-alignment	66	\$0	0	\$0	0	\$0
E. Total, Estimated Obligations	699	\$161,294	636	\$161,751	636	\$174,695

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2020 Enacted	FY 2021 Request	Net Change
Budget Authority			
General Funds	\$108,674	\$121,307	+\$12,633
Trust Funds	\$49,982	\$50,293	+\$311
Total	\$158,656	\$171,600	+\$12,944

Full Time Equivalents			
General Funds	411	411	0
Trust Funds	209	209	0
Total	620	620	0

Explanation of Change	FY 2021 Change							
	FY 2020 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	620	\$70,895	0	\$350	0	\$767	0	\$1,117
Personnel benefits	0	\$25,784	0	\$116	0	\$254	0	\$370
One day less of Pay	0	\$0	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act (FECA)	0	\$0	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$36	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$2,042	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$0	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$9,305	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$0	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$385	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$150	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$300	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$2,397	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$33,638	0	\$0	0	\$0	0	\$0
Other Federal sources (Census Bureau)	0	\$571	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$480	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$60	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

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Explanation of Change	FY 2021 Change							
	FY 2020 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Operation and maintenance of equipment	0	\$11,948	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$264	0	\$0	0	\$0	0	\$0
Equipment	0	\$72	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$8	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	620	+\$158,335	0	+\$466	0	+\$1,021	0	+\$1,487
B. Programs:								
IT Modernization	0	\$0	0	\$0	0	\$11,957	0	\$11,957
Programs Subtotal			0	\$0	0	+\$11,957	0	+\$11,957
Total Increase	620	+\$158,335	0	+\$466	0	+\$12,978	0	+\$13,444
Decreases:								
A. Built-Ins:								
To Provide For:								
One day less of Pay	0	\$0	0	-\$130	0	-\$287	0	-\$417
Federal Employees' Compensation Act (FECA)	0	\$321	0	-\$25	0	-\$58	0	-\$83
Built-Ins Subtotal	0	+\$321	0	-\$155	0	-\$345	0	-\$500
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Decrease	0	+\$321	0	-\$155	0	-\$345	0	-\$500
Total Change	620	+\$158,656	0	+\$311	0	+\$12,633	0	+\$12,944

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	FY 2019 Enacted		FY 2020 Enacted		FY 2021 ¹ Request		Diff. FY21 Request / FY20 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Training and Employment	260	70,679	260	70,679	260	83,070	0	12,391
General Funds	224	62,040	224	62,040	224	74,377	0	12,337
Unemployment Trust Funds	36	8,639	36	8,639	36	8,693	0	54
Workforce Security	173	42,704	172	42,704	172	42,968	0	264
General Funds	11	3,440	10	3,440	10	3,461	0	21
Unemployment Trust Funds	162	39,264	162	39,264	162	39,507	0	243
Apprenticeship	141	36,160	145	36,160	145	36,390	0	230
General Funds	141	36,160	145	36,160	145	36,390	0	230
Ticket to Work - Admin	0	0	0	0	0	0	0	0
Executive Direction	46	9,113	43	9,113	43	9,172	0	59
General Funds	35	7,034	32	7,034	32	7,079	0	45
Unemployment Trust Funds	11	2,079	11	2,079	11	2,093	0	14
Total	620	158,656	620	158,656	620	171,600	0	12,944
General Funds	411	108,674	411	108,674	411	121,307	0	12,633
Unemployment Trust Funds	209	49,982	209	49,982	209	50,293	0	311

NOTES: 2019 reflects actual FTE. FTE for all years reflect the Shared Services Realignment.

¹ The amounts do not reflect proposed transfer of \$11 million in discretionary resources from the Social Security Administration to ETA for Federal administration of the Ticket to Work program.

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BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	² FY 2021 Request	Diff. FY21 Request / FY20 Enacted
	Full-Time Equivalent				
	Full-time Permanent	686	620	620	0
	Reimbursable	13	13	13	0
	Total	699	633	633	0
	Average ES Salary	\$179,235	\$182,640	\$186,110	\$3,470
	Average GM/GS Grade	13	13	13	0
	Average GM/GS Salary	\$108,788	\$110,855	\$112,961	\$2,106
11.1	Full-time permanent	69,118	69,118	71,282	2,164
11.3	Other than full-time permanent	387	387	387	0
11.5	Other personnel compensation	1,390	1,390	2,337	947
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	70,895	70,895	74,006	3,111
12.1	Civilian personnel benefits	26,105	26,105	26,204	99
13.0	Benefits for former personnel	36	36	36	0
21.0	Travel and transportation of persons	2,042	2,042	1,716	-326
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	9,305	9,305	9,305	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	385	385	385	0
24.0	Printing and reproduction	150	150	150	0
25.1	Advisory and assistance services	300	300	300	0
25.2	Other services from non-Federal sources	2,397	2,397	2,397	0
25.3	Other goods and services from Federal sources 1/	34,749	34,749	34,749	0
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	11,948	11,948	22,115	10,167
26.0	Supplies and materials	264	264	208	-56
31.0	Equipment	72	72	21	-51
42.0	Insurance claims and indemnities	8	8	8	0
	Total	158,656	158,656	171,600	12,944
	1/Other goods and services from Federal sources				
	Working Capital Fund	33,330	33,638	33,638	0
	DHS Services	597	480	480	0
	Census Services	571	571	571	0
	GSA Services	191	0	0	0

NOTE: FTE for all years reflect the Shared Services Realignment.

² The amounts do not reflect proposed transfer of \$11 million in discretionary resources from the Social Security Administration to ETA for Federal administration of the Ticket to Work program.

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APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2011					
Base Appropriation...1/	\$162,042			\$147,360	774
2012					
Base Appropriation...2/	\$159,882			\$147,081	784
2013					
Base Appropriation...3/	\$147,613			\$139,388	766
2014					
Base Appropriation	\$149,617			\$153,311	758
2015					
Base Appropriation	\$155,563			\$154,559	765
2016					
Base Appropriation	\$176,564	\$158,368	\$144,017	\$154,559	770
2017					
Base Appropriation	\$180,826			\$158,656	753
2018					
Base Appropriation...4/	\$154,265	\$156,348		\$158,656	726
2019					
Base Appropriation...5/	\$154,265		\$158,656	\$158,656	713
2020					
Base Appropriation...6/7/	\$154,265	\$158,656		\$158,656	620
2021					
Base Appropriation...7/	\$171,600				620

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

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

3/ Reflects a 0.2% across the board rescission pursuant to P.L. 113-6 and the sequestration reduction pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985.

4/ This Bill was passed by the House.

5/ 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.

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

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

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Overview

The Program Administration (PA) appropriation provides for Federal oversight and administration of most Employment and Training Administration (ETA) programs. The FY 2021 request is \$171,600,000 and an estimated 620 full time equivalent (FTE) positions.

This account primarily supports salary and benefits, the Department's Working Capital Fund, information technology (IT) contracts, and rent/utility/communications with a small remainder available for travel and other support required to enable operations for a majority of ETA's programs.

The Budget proposes to transfer administrative management of the Ticket to Work program from the Social Security Administration (SSA) to ETA. ETA is uniquely positioned to assist individuals with disabilities return to the labor force. The proposal includes an \$11 million transfer in administrative funding from the Social Security Administration to the PA account.

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

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

The Department expends the bulk of ETA's appropriated funding through grants that implement the various workforce programs and other investments administered and managed by ETA. As of December 2019, ETA had approximately 3,100 active grants consisting of approximately 2,800 grants assigned to 155 regional Federal Project Officers (FPOs), and 300 grants assigned to 12 national FPOs, with a total funding portfolio of \$27 billion. To ensure grantees remain on track to meet performance goals, the Department monitors grantee performance by looking at system outputs (such as the number of people who received training) and outcomes (such as the number of people trained who were in unsubsidized employment two quarters after exit from the program). ETA regional offices monitor grant activity and assess performance through a variety of processes, which include on-boarding/risk assessments of all new grantees, quarterly desk reviews of all grantees, and onsite monitoring reviews or enhanced desk monitoring reviews (EDMR), as needed. Through onsite monitoring reviews and EDMRs, ETA monitors 26 percent of all active grants each year. In addition to monitoring, Federal staff conduct on-site technical assistance visits as needed.

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

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the activity of the Department in the field. Even as funding levels are reduced and programs expire or are eliminated, FPOs remain responsible for oversight of grants through close-out.

The Department, in partnership with states, will continue to strategically and effectively target its resources to maintain a viable and strong safety net that provides timely and accurate temporary income support to eligible workers, with greater emphasis on reducing risk for improper payments. The Department will maintain its focus on improving the integrity of the UI System, working with states to improve their prevention, detection, and recovery of improper payments, and strengthening performance overall. Activities such as UI Integrity Reform help states reduce improper payments that divert scarce resources needed to accomplish outcome goals.

The Presidential Executive Order Expanding Apprenticeships in America³ provided additional focus for ETA Federal administration efforts. As the Department continues to address the growing challenge of equipping Americans with the skills and tools to obtain good jobs and build their careers, it will focus on the expansion and enhancement of apprenticeship programs. The Executive Order states that, “it shall be the policy of the Federal Government to provide more affordable pathways to secure, high paying jobs by promoting apprenticeships and effective workforce development programs, while easing the regulatory burden on such programs and reducing or eliminating taxpayer support for ineffective workforce development programs.”

In FY 2021, the Department will continue IT modernization efforts designed to improve data, accountability, and transparency as well as shifting from low-value to high-value work by completing migration of grant programs into the Electronic Grants Administration and Management System (EGrAMS) and consolidating disparate grantee performance management systems into a single, modernized solution, the Grantee Performance Management System (GPMS). The Department’s efforts will maximize the efficiency of grant funding by applying a risk-based, data-driven framework that balances compliance requirements with demonstrating successful results for the American taxpayer. The grants monitoring component will more effectively document grant oversight activities, significantly reduce risk, and create efficiencies for ETA staff, freeing up time for additional monitoring activities.

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

³ <https://www.federalregister.gov/documents/2017/06/20/2017-13012/expanding-apprenticeships-in-america>

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In FY 2021, the Department is committed to implementing the President's Management Agenda (PMA) and an Enterprise Shared Services delivery model for administrative functions. The purpose of the Enterprise Shared Services initiative is to create an administrative services delivery model that is streamlined, consistent, and efficient. Instead of directly funding IT, procurement, and human resources functions, the Department's current plan is that ETA will use shared services providers through the Working Capital Fund (WCF) and the proposed IT Working Capital Fund (IT WCF). Under this plan, 66 FTE will be realigned from ETA PA to the WCF and IT WCF. The FY 2021 President's Budget reflects this FTE realignment and the corresponding realignment of personnel compensation and benefits. The Budget does not include any related changes to non-personnel funding. The Department continues to develop and implement plans for Enterprise Shared Services. All FTE and funding estimates related to the Enterprise Shared Services initiative are preliminary and will be validated before final implementation.

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WORKLOAD AND PERFORMANCE SUMMARY						
	FY 2019 Enacted		FY 2020 Enacted	FY 2021 Request		
	Target	Result	Target	Target		
OGM/Grants Management						
Strategic Goal 1 - Support the Ability of All Americans to Find Good Jobs						
Strategic Objective ETA 1.1 - Create customer-focused workforce solutions for American workers.						
ETA-OCM-02	Percent of Contractor Performance Assessment Reporting System (CPARS) conducted on eligible Contracts by the end of the Rating Period		95.0%	96.3%	95.0%	95.0%
ETA-RO-01	Percent of active grant projects that receive a desk review within 30 days after the grantee reports are due.		95.0%	98.0%	95.0%	95.0%
ETA-RO-02	Percent of grants monitored by regional offices annually.		26.0%	33.5%	26.0%	26.0%

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

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Workload and Performance Summary

With approximately 3,100 formula and discretionary grant investments active, ETA has taken steps to implement a tiered approach to grants management. The first tier is on-boarding and risk assessment. On-boarding/initial risk assessment are conducted on all new discretionary grants. FPOs conduct this assessment to determine the grantee's ability to fulfill the terms of its grant proposal based on key criteria outlined in our new on-boarding requirements and a standardized risk assessment tool.

The second tier is the quarterly desk review, which is an evaluation of the grantee's "risk" level at the close of the quarter. At least 98.5 percent of 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.

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

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

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

Contractor Performance Assessment Reporting System (CPARS) assessments are required performance evaluations for contractors with contracts valued above the simplified acquisition threshold. All Federal agencies must complete these evaluations and the results must be transferred to the Past Performance Information Retrieval System (PPIRS). This system allows all Federal Contracting Officers to review the past performance of all contractors with applicable federal contracts across the government and not just in their agency.

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	70,679	70,679	83,070	12,391
FTE	260	260	260	0

NOTE: FTE for all years reflect the Shared Services Realignment.

NOTE: FY 2019 reflects actual FTE. Authorized FTE for FY 2019 was 300.

Introduction

This budget activity provides for the Federal administration of programs administered by ETA including: WIOA Adult, Youth, and Dislocated Worker employment and training activities; the TAA program; and competitive grant programs, including INA, Migrant and Seasonal Farmworker, YouthBuild, REO, SCSEP, and H-1B funded competitive grants. Although some of the aforementioned programs are proposed for elimination, there will still be oversight activities on grants, such as monitoring and site visits, that must be performed over the lifecycle of the grant. This process would likely extend through the end of FY 2022. This budget activity also provides for indirect staff support.

Federal staff work in the national and regional offices, and include numerous FPOs who are trained to oversee the use of government resources. These FPOs provide oversight of grant implementation throughout the period of performance, including conducting compliance monitoring to ensure that grantees are operating under the law and the guidance of their statements of work.

In addition to grant oversight and monitoring, Federal staff provide technical assistance and policy implementation for the workforce system. The combination of grant oversight, support, and direction provided to grantees contributes to the more efficient operation of the workforce system and helps to ensure quality service delivery to customers to improve their chances of obtaining and retaining employment, and earning good wages.

WIOA Formula Grant Programs

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

Indian and Native American (INA) Programs

The Department is proposing to eliminate the INA programs in the FY 2021 President's Budget. However, the Department is also proposing a Native adult set-aside within the WIOA Adult program, bringing the provision of workforce development services to Native adults into the core

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workforce system. Staff will continue monitoring active INA grants to ensure grantees are using funds properly until all active grants are closed out.

Migrant and Seasonal Farmworker Program

The Department proposed to eliminate this program in the FY 2018-FY 2020 Budgets and is again proposing to eliminate this program in FY 2021; however, staff will continue monitoring active grants to ensure grantees use funds properly until close out of all active grants.

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 lead the policy and grant development process for all REO-funded activities, including researching program models, developing Funding Opportunity Announcements, providing grantee monitoring and technical assistance, and overseeing program and performance reporting for all REO grants.

Senior Community Service Employment Program (SCSEP)

The Department proposed to eliminate this program in the FY 2018-FY 2020 Budgets and is again proposing to eliminate this program in FY 2021. However, Federal staff will continue monitoring active grants to ensure grantees use funds properly until close out of all active grants.

Trade Adjustment Assistance (TAA)

Federal staff administering TAA conduct group eligibility determinations for workers adversely affected as a result of foreign trade; provide oversight to state workforce agencies for assistance in administering TAA Program benefits and services; and deliver timely technical assistance and information to stakeholders about the 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.

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Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2016	\$68,713	332
2017	\$70,679	316
2018	\$70,679	309
2019	\$70,679	300
2020	\$70,679	260

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The FY 2021 Budget includes \$83,070,000 and 260 FTE for Training and Employment – an increase of \$12,391,000 over the FY 2020 enacted amount. ETA will continue migration efforts of the legacy grants management system (e-Grants) to the Enterprise Grants Administration and Management System (EGrAMS) and will continue to invest in modernizing the Grantee Performance Management System (GPMS). As described below, the Department anticipates this \$11,957,000 investment addressing approximately \$50 million in potential improper payments a year, along with numerous system integrity issues.

Staff will continue to support grantee needs regarding administration of WIOA. Among these activities are technical assistance and guidance to the workforce system regarding flexibilities available within WIOA to implement Governors’ strategies; promoting apprenticeship, work-based learning, and truly integrated service delivery across WIOA programs to promote economic mobility; and continuing collaboration with the Department of Education. Specific activities include working with states to provide flexibility through waiver requests, assistance to states and competitive grantees in implementing performance accountability requirements, and continuing assistance to states in implementing their WIOA Unified or Combined State Plans.

One key aspect of WIOA implementation is the ETA-led development of an Eligible Training Provider (ETP) Scorecard, which will allow job seekers to view training provider outcomes at the program of study level. This information will help job seekers make informed training decisions, while driving continuous system improvement. The ETP website will be available to the workforce system in FY 2021.

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

A key focus in FY 2021 will be the completion of modernizing several IT systems and expansion of IT tools to increase efficiency. One key investment is the migration from the legacy e-Grants system. The legacy e-Grants system processes and administers approximately \$22 billion in active grants. The Department’s grants management system currently is serviced and managed by ETA, but used on a reimbursement basis by grant-making agencies across the Department. Under the Enterprise Shared Services delivery model, the Department will assume ownership of all IT systems currently managed by ETA. Major improvements in reliability and functionality

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will allow stakeholders across the Department's eight grant-making agencies to better process and manage more than 4,200 active grants totaling approximately \$8.7 billion annually. The modernization effort aims to address issues of limited functionality, high operating and maintenance costs, poor data quality, inadequate reporting capabilities, fragmented architecture, and vulnerable system security through the acquisition of an enterprise cloud-hosted, commercial off-the-shelf grant and performance management system capable of supporting the Department's grant-making agencies.

In FY 2021, the Department will invest in the full migration of all grants into the modernized system, build out reporting capabilities, develop an audit services strategy, and begin planning for the decommissioning of the legacy system. The end result will be a highly integrated and consolidated grants management system: the Enterprise Grants Administration and Management System (EGrAMS). The new system will retain core capabilities of e-Grants, providing full lifecycle grants management, and will consolidate e-Grants Core, National Dislocated Worker Grants (NDWGs) System, and Grants e-Management System (GEMS). ETA estimates that the investment will reduce improper payments by up to \$35.2 million per year and significantly reduce the risk of lapsed funds. By transitioning to the new system, ETA will prevent improper payments and late grant awards, reduce waste created by grantee and federal staff re-doing previously completed work, improve internal controls, and ensure accurate reporting of financial assistance data to the public (as required by the Digital Accountability and Transparency Act (DATA Act)).

Examples of areas where EGrAMS will improve ETA grants management include ensuring:

- Accurate award and obligation of funds;
- Proper tracking of grant modifications;
- Precise scoring of grant competitions; and
- Improved financial controls.

Grantee performance is currently being managed by separate legacy systems for \$650 million of annual grant funding for the Indian and Native American, YouthBuild, Reentry Employment Opportunities, and Senior Community Service Employment programs. The Grantee Performance Management System (GPMS) will consolidate grantee performance management into a modern integrated, cloud-based system for all performance management and oversight activity. ETA estimates that the investment will reduce improper payments by up to \$15.3 million per year.

Examples of areas where GPMS will improve ETA grantee performance management include ensuring:

- Sufficient review of program data and allowable costs;
- Accuracy of performance-based awards;
- Improved grantee monitoring and alignment with performance goals.

The GPMS will accommodate multiple DOL programs in a single platform with customized configurations to handle programs' individual needs. Federal staff will be able to use the GPMS and analysis enabled by the related data services to review grantee performance as well as inform any necessary corrective action and technical assistance. Having a single, consistent GPMS framework will reduce future development and maintenance costs at the Federal level. The

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Department also plans to build better systems that will streamline business processes and provide staff with improved IT equipment to automate certain processes and heighten service delivery efficiency.

The Department developed the Workforce Integrated Performance System (WIPS) to align performance reporting for formula and discretionary grantees. The Department will continue to enhance this integrated performance reporting system to ensure ETA's IT profile conforms to WIOA and other performance reporting requirements. In FY 2021, the Department will focus on the integration of additional ETA program office case management platforms and provide system enhancements based on user feedback.

The Department will continue to support the operation and maintenance of the Petition Automated Workflow System (PAWS) associated with the certification of TAA petitions for benefits in previous fiscal years. The new system will be operational in FY 2020 and will improve processing of TAA investigations and reduce wait times for workers' TAA eligibility. This web-based system will provide an electronic workflow for the TAA group eligibility process from petition intake through investigation processing and will include issuance of reports and public determinations. The PAWS will increase efficiency and reduce the amount of investigative labor "drag" currently caused by manually re-keying collected company information for multiple data points due to a lack of a centralized data source. It will provide the opportunity for a consolidated review by investigators of multiple data points currently spread across multiple documents and identify delay points in workflow processes.

The PAWS will enable ETA to investigate petitions efficiently and process determinations in a timely manner, but will not replace the need for human resources. TAA group eligibility investigations rely heavily on the interactions of investigators and responses from external stakeholders for 16 statutory paths to certification for group eligibility, all of which ETA must explore to issue a negative decision.

FY 2020

Staff will continue to support grantee needs regarding administration of WIOA and all grant programs. As described in FY 2021 section above, these activities include providing technical assistance and guidance to the workforce system; promoting apprenticeship, work-based learning, sector strategies, and integrated service delivery across WIOA programs; and continuing collaboration with the Departments of Education and Health and Human Services, including joint review of WIOA Unified or Combined State Plans. Specific activities include working with states to provide flexibility under WIOA and partner programs that advance economic mobility; providing assistance to states and competitive grantees in implementing performance accountability requirements; administering grant competitions for the National Farmworker Jobs Program, SCSEP, REO, INA, and YouthBuild programs; using Dislocated Worker and other resources to respond to the natural disasters and short-term and long-term significant economic changes in rural areas; and testing and promoting solutions for individuals leaving incarceration.

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In addition to administering 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 2020, the Department will continue to support grant management, performance, case management, and petition certification (PAWS) platforms. Specifically, the Department will continue to support two grants management systems during efforts to migrate remaining grants into the modernized EGrAMS system. The Department will continue its effort to build an integrated performance reporting system that brings ETA's IT profile towards conformity with WIOA performance reporting requirements. WIPS investments in FY 2020 will focus on system updates based on data validation activities. These upgrades will better align data collections with WIOA reporting capabilities and provide additional reporting features and data analytics. Additionally, ETA will work with states and Federal partners to transition the interstate wage record system to align with WIOA. The State Wage Interchange System (SWIS) will fully replace the Wage Record Interchange System (WRIS/WRIS2) in FY 2020.

FY 2019

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:

- Published grant opportunities to creatively address skill gaps and provide work-based learning, including apprenticeship programs, for American workers. Grant opportunities also responded to the National Health Emergency, developed a new Workforce Opportunity for Rural Communities grant, and administered grant competitions for YouthBuild, Reentry Employment Opportunities, and Job Corps Scholars programs;
- Assisted stakeholders in the implementation of WIOA performance measures across grant programs, as well as implementing reporting systems;
- Provided technical assistance to grantees on performance reporting, grant program and grant management fundamentals, promising practices, and delivering high quality services in online and in-person trainings;
- Published guidance on program operations to assist grantees in implementing WIOA statutory and regulatory requirements;
- Advised states on flexibility within WIOA, including review of and response to state waiver requests;
- Strengthened collaboration with relevant Federal and state agencies to promote a strong, efficient, and integrated workforce system;
- Developed and executed new models for workforce programs and analysis of performance data;
- Implemented various new IT requirements to bring ETA's IT profile towards conformity with WIOA;
- Drafted a Notice of Proposed Rulemaking for public comment on the TAA program to minimize burden, reduce cost, add flexibilities for states, and align with WIOA;

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- Maintained accountability and oversight for ETA's investment portfolio to ensure conformity with statutes, compliance with regulations, and fiscal accountability; and
- Supported the program offices in their procurement, grant management, and human resource needs.

The Department continued to support IT systems associated with the Department's migration of its grants management system to EGrAMS. Currently, EGrAMS supports grants funded by the Occupational Safety and Health Administration, Mine Safety and Health Administration, Chief Evaluation Office, Women's Bureau, and Job Corps. ETA's e-Grants system supports the Department's remaining grants. In addition, ETA invested funding at the end of FY 2019 to begin development of a replacement system used by Federal Project Officers to monitor grants. In FY 2019, over 700 logical edit checks were implemented in WIPS to ensure that data submitted to the Department were systematically reviewed for accuracy and completeness prior to acceptance.

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WORKLOAD AND PERFORMANCE SUMMARY				
	FY 2019 Enacted		FY 2020 Enacted	FY 2021 Request
	Target	Result	Target	Target
Training and Employment				
Strategic Goal 1 - Support the Ability of All Americans to Find Good Jobs				
Strategic Objective ETA 1.1 - Create customer-focused workforce solutions for American workers.				
ETA-OTAA-02 Median TAA Petition Processing Time (MPT) in Days	50	61	55[r]	55

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

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Workload and Performance Summary

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

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

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

In FY 2019, the Department did not meet its target of 50 days for MPT. The staffing contract issued in FY 2018 that provided an additional 5 investigators to support TAA investigations expired in FY 2019 along with the departure of three staff investigators. This, combined with the increased workload and staff attention to developing new regulations and a new information technology case management system significantly impeded investigative work. The Department expects to publish the new TAA regulations and roll-out the new IT Petition Automated Workflow System (PAWS) in the Spring of 2020, which will require internal and external training on new TAA investigative forms and IT procedures that may also cause slight delays in MPT.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
11.1	Full-time permanent	30,352	30,352	31,362	1,010
11.3	Other than full-time permanent	192	192	189	-3
11.5	Other personnel compensation	560	560	1,004	444
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	31,104	31,104	32,555	1,451
12.1	Civilian personnel benefits	11,057	11,057	11,151	94
13.0	Benefits for former personnel	8	8	8	0
21.0	Travel and transportation of persons	924	924	667	-257
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	3,976	3,976	3,976	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	108	108	108	0
24.0	Printing and reproduction	118	118	118	0
25.1	Advisory and assistance services	216	216	216	0
25.2	Other services from non-Federal sources	628	628	628	0
25.3	Other goods and services from Federal sources 1/	15,159	15,159	15,159	0
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	7,264	7,264	18,410	11,146
26.0	Supplies and materials	69	69	59	-10
31.0	Equipment	48	48	15	-33
42.0	Insurance claims and indemnities	0	0	0	0
	Total	70,679	70,679	83,070	12,391
	1/Other goods and services from Federal sources				
	Working Capital Fund	14,536	14,653	14,653	0
	DHS Services	284	167	167	0
	Census Services	311	311	311	0

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CHANGES IN FY 2021

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$493
Personnel benefits	164
One day less of Pay	-186
Federal Employees' Compensation Act (FECA)	-37
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	0
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 **\$434**

Net Program **\$11,957**

Direct FTE **0**

	Estimate	FTE
Base	\$71,113	260
Program Increase	\$11,957	0
Program Decrease	\$0	0

WORKFORCE SECURITY

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	42,704	42,704	42,968	264
FTE	173	172	172	0

NOTE: FTE for all years reflect the Shared Services Realignment.

NOTE: FY 2019 reflects actual FTE. Authorized FTE for FY 2019 was 200.

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.

Federal staff in the national and regional offices provide oversight of grant implementation throughout the period of performance, including conducting compliance monitoring to ensure grantees operate in compliance with the law and under the guidance of their statements of work.

In addition to grant oversight and monitoring, Federal staff provide technical assistance, 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 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 legislative support to states in support of the administration and 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 that supports economic analysis, research, and program oversight. Staff attention and resources also focus on measuring, evaluating, and improving performance in the UI program as well as addressing improper payments.

Employment Service

Federal staff provide policy guidance and direction, technical assistance, training, and oversight for the operation of the national public ES system through state offices and local American Job Centers. Regional office staff provide oversight and technical assistance at the state and local levels.

Workforce Information/Electronic Tools/System Building

Workforce Information/National Electronic Tools/System Building supports the operation and management of information and tools for the workforce development system. Federal staff

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develop workforce information policy guidance, and 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 the labor market participation of crop workers. Staff update and support national electronic tools to provide career guidance, information, tools, and products for use by workforce system partners, career counselors, job seekers, employers, veterans, students, and the public, including assessment guidance, the Occupational Information Network (O*NET), the Competency Model Initiative, *mySkills myFuture*, *My Next Move*, and the suite of electronic tools found at www.careeronestop.org. Staff also make strategic investments and collaborate in the development of interactive Web-based tools that capture information from a variety of databases and support regional and community analysis to underpin strategic planning, cluster analysis, benchmarking, and assessment of interventions.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2016	\$42,733	217
2017	\$42,704	218
2018	\$42,704	206
2019	\$42,704	200
2020	\$42,704	172

FY 2021

The FY 2021 Budget for Workforce Security is \$42,968,000 and 172 FTE.

Federal staff will:

- monitor and oversee over \$2.6 billion in grants to 53 state UI and ES agencies;
- provide guidance, training, and technical assistance to these grantees, including implementation of the staffing flexibility in the Employment Service program available after publication of a Final Rule;
- formulate, communicate, and analyze program policies, including receiving recommendations from the Workforce Information Advisory Committee;
- develop and analyze critical economic and employment data;
- measure performance and encourage continuous improvement throughout the UI, ES, and LMI systems; and
- work with states to develop state laws and operating procedures that comply with Federal laws and regulations.

The Department's staff continues its implementation of an aggressive strategic plan to work with State Workforce Agencies (SWAs) to control UI improper payments. The plan includes a number of robust strategies already under way as well as newly identified strategies ETA will roll out as quickly as feasible - strategies focused on prevention, detection, and recovery of overpayments. These strategies target the three largest root causes of UI improper payments:

- Failure of claimants to comply with the SWAs' work search requirements (Work Search);

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

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

The Department also oversees and provides technical assistance for state implementation of the Reemployment Services and Eligibility Assessment (RESEA) program enacted by Congress in the Bipartisan Budget Act of 2018. The RESEA program focuses on strategies to ensure the integrity of the UI program and identifies evidence-based strategies that assist UI claimants to return to work more quickly. RESEA provides funds to states to better serve UI claimants at American Job Centers to conduct an eligibility review, and develop a reemployment plan that connects them to reemployment services.

FY 2020

Federal staff will monitor and oversee over \$2.66 billion in grants to 53 state UI agencies; provide guidance, training, and technical assistance to these grantees; formulate, communicate, and analyze program policies; develop and analyze critical economic and employment data; measure performance and encourage continuous improvement throughout the UI system; and work with states to develop state laws and operating procedures that comply with Federal regulations. Specifically regarding Wagner-Peyser employment services, staff will issue guidance and provide related technical assistance through webinars and calls with states.

As described in the FY 2021 section above, the Department is implementing an aggressive strategic plan to work with SWAs to control UI improper payments. Strategies focus on prevention, detection, and recovery of overpayments and target the three largest root causes of UI improper payments: Benefit Year Earnings, Work Search, and Separation.

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 2020 to promote the use of SIDES to reduce improper payments due to separation errors.

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The Department has issued a Final Rule in January 2020 providing staffing flexibility in the Wagner-Peyser Employment Service programs including the Monitor Advocate system, and will assist states in its implementation. The Department will also re-convene the Workforce Information Advisory Committee, and receive and consider its recommendations. Federal Staff will work on further alignment and reporting for non-core WIOA programs and programs authorized by other statutes with WIOA performance measures and reporting. This includes the employment rate of all UI claimants who are participants in ES and ES participants co-enrolled in RESEA.

As indicated in detailed discussion below, during FY 2020, the Department anticipates using the FY 2019 program integrity transfer to continue funding a front-end claimant identity verification database leveraging the UI Integrity Center data hub. During FY 2020, the Department will evaluate the level of transaction activity in order to determine how to best utilize the program integrity transfer funded out of FY 2020 funding.

FY 2019

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 2019, the Department worked with the Integrity Center to support the following activities:

- 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.
- Providing on-line program integrity training through a UI National Academy via online modules and instructor-led courses leading to credentials. Training curricula include tracks in fraud investigation, UI claims intake and processing, and program leadership.
- Promoting an Integrity Knowledge Exchange, with a Digital Library of model state practices, and program integrity information available to all states.
- Offering technical assistance and business process analysis services to states through UI subject matter experts.
- Providing intensive on-site consultative assistance to 11 states with high improper payments rates that also impact the national rate with the goal of lowering the overall improper payment rate.

Support of the SIDES remains another key to preventing UI improper payments. A web-based system, SIDES allows electronic transmission of UI information requests from UI agencies to multi-state employers and/or Third Party Administrators, as well as transmission of replies containing the requested information back to the UI agencies. It allows for the exchange of separation, earnings verification, and monetary and potential charges information between states and employers. A total of 50 state UI agencies have implemented and are using SIDES for separation requests. Also, 39 state UI agencies are exchanging SIDES data with all Third-Party Administrators (TPAs) that are live and operating in their state.

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ETA also provided guidance, direction, oversight, and technical assistance for the RESEA program. FY 2019 was the first full year that states implemented the new RESEA program. RESEA provides funds for states to bring UI claimants into American Job Centers for an assessment of continuing UI eligibility, assistance with the development of a reemployment plan, reemployment services, labor market information, and referrals to training or other workforce services. The Department also issued a Notice of Proposed Rulemaking in FY 2019 for staffing flexibilities in the Wagner-Peyser Employment Service, and subsequently published a Final Rule in January 2020.

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 is utilizing the program integrity transfer authority authorized by Congress to implement a nation-wide system for front-end claimant identity verification that will address the need of identity verification in the UI system. In recent years, states have experienced massive fraud schemes based on stolen identities. State UI agencies have a critical need for assistance in preventing improper payments and fraud, especially in the area of front-end claimant identity verification. All states currently conduct cross-matches with various sources of data to prevent or detect fraudulent claims. However, only a few states have implemented high-quality systems to authenticate the identity of individuals at the front end of the claim to prevent the use of personal identifying information for willful misrepresentation in establishing eligibility for UI benefits. As a result, states are making payments that are likely impossible to later recover. ETA estimates that a fully functional system with all states participating would conservatively save state UI trust funds over \$700 million over five years.

In December 2018, ETA transferred \$3 million from the FY 2018 SUIESO appropriation to Program Administration. ETA obligated the FY 2018 funds to the UI Integrity Center in September 2019. The Center issued a Request for Proposal (RFP) in October 2019 to procure access to identity verification data sets to be made available to states through the Integrity Center's Integrity Data Hub. The data sets are available from private sector entities; generally financial institutions or credit reporting agencies. Access to the data set(s) will enable states to identify fraudulent claims at the point of application for UI benefits, thus preventing improper payments at the earliest possible time.

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

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Administration through the Program Integrity Transfer to continue this initiative and enable ETA to procure ongoing state access to the dataset(s) through the Integrity Data Hub.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
11.1	Full-time permanent	19,696	19,696	20,242	546
11.3	Other than full-time permanent	127	127	129	2
11.5	Other personnel compensation	382	382	656	274
11.9	Total personnel compensation	20,205	20,205	21,027	822
12.1	Civilian personnel benefits	7,544	7,544	7,582	38
13.0	Benefits for former personnel	16	16	16	0
21.0	Travel and transportation of persons	354	354	285	-69
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	3,545	3,545	3,545	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	61	61	61	0
24.0	Printing and reproduction	0	0	0	0
25.1	Advisory and assistance services	44	44	44	0
25.2	Other services from non-Federal sources	85	85	85	0
25.3	Other goods and services from Federal sources 1/	8,182	8,182	8,182	0
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	2,513	2,513	2,012	-501
26.0	Supplies and materials	139	139	119	-20
31.0	Equipment	8	8	2	-6
42.0	Insurance claims and indemnities	8	8	8	0
	Total	42,704	42,704	42,968	264
	1/Other goods and services from Federal sources				
	Working Capital Fund	7,856	7,856	7,856	0
	DHS Services	128	128	128	0
	Census Services	185	185	185	0

WORKFORCE SECURITY

CHANGES IN FY 2021

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$298
Personnel benefits	99
One day less of Pay	-111
Federal Employees' Compensation Act (FECA)	-22
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	0
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 **\$264**

Net Program **\$0**

Direct FTE **0**

	Estimate	FTE
Base	\$42,968	172
Program Increase	\$0	0
Program Decrease	\$0	0

APPRENTICESHIP

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	36,160	36,160	36,390	230
FTE	141	145	145	0

NOTE: FTE for all years reflect the Shared Services Realignment.

NOTE: FY 2019 reflects actual FTE. Authorized FTE for FY 2019 was 168.

Introduction

The Program Administration (PA) appropriation is available for administering employment and training programs. The Employment and Training Administration’s Office of Apprenticeship (OA) utilizes PA resources to oversee both Registered Apprenticeship Programs (RAPs) and Industry-Recognized Apprenticeship Programs (IRAPs).

Pursuant to the Presidential Executive Order (EO) Expanding Apprenticeships in America and consistent with the Department’s goal of enrolling 1 million new apprentices by the end of FY 2021, the Department is devoting PA resources to:

- 1) improve and/or modernize technical assistance, tools, data and subject matter expertise to support expansion of both RAPs and IRAPs
- 2) implement a process to recognize Standards Recognition Entities (SREs); to promote the expansion of IRAPs (See Notice of Proposed Rulemaking)⁴; and
- 3) monitor apprenticeship grants and contracts to ensure successful outcomes of apprenticeship investments; and,

The Executive Order states that, “it shall be the policy of the Federal Government to provide more affordable pathways to secure, high paying jobs by promoting apprenticeships and effective workforce development programs.” This vision was further defined through the work of the Taskforce on Apprenticeship Expansion and recent NPRM. The private and public sector demand for apprenticeship programs is at an unprecedented level. The Department intends to expand capacity to implement strategic activities to modernize the apprenticeship system and develop solutions to make it easier for both businesses and apprentices to access apprenticeship programs. The Department will continue to expand RAPs and fully implement IRAPs by building strategic partnerships, providing technical assistance to new apprenticeship industry stakeholders, and establishing the process to recognize SREs.

Apprenticeship is an industry-driven, high-quality career pathway where employers can develop and prepare their future workforce, and individuals can obtain paid work experience, classroom instruction, and a portable, 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 advanced manufacturing, financial services, educational services, transportation, information technology, healthcare, and the skilled trades.

⁴ <https://www.federalregister.gov/documents/2019/06/25/2019-13076/apprenticeship-programs-labor-standards-for-registration-amendment-of-regulations>

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Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2016	\$34,000	174
2017	\$36,160	174
2018	\$36,160	171
2019	\$36,160	168
2020	\$36,160	145

FY 2021

The FY 2021 request for Apprenticeship program administration and monitoring activities is \$36,390,000 and 145 FTE, and will be used to further develop and implement proposed actions in the FY 2020 request. FTE and related program support will help advance implementation of the President's 2017 EO on Expanding Apprenticeship. ETA will assume a range of responsibilities including support for IRAPs and RAPs.

Funds support the increased demand for subject matter experts and other staff available to engage in a wide variety of apprenticeship expansion activities including but not limited to: IRAP implementation support; continued expansion of RAPs; Apprenticeship application and performance system supports; employer engagement and customer relationship management; program development and approval; grant and contract monitoring and risk management; and policy, regulatory, and technical assistance support. Agency-wide apprenticeship training efforts will help equip other staff across ETA to better integrate apprenticeship strategies and technical assistance across the workforce system. Apprenticeship PA investments, coupled with programmatic funding, will build a stronger apprenticeship system.

Employer demand for apprenticeship support services has significantly increased since announcement of the EO. State and Federal investment in this earn and learn workforce development strategy has also increased due to state and local labor market needs.

Federal staff will continue to provide oversight of the Apprenticeship funding appropriated within the Training and Employment Services. There are over 27 apprenticeship contracts, 155 apprenticeship grants, and other competitive funding opportunities that may use apprenticeship as a workforce development strategy. Many of these contractors and grantees require Federal technical support to implement their apprenticeship strategies. Onsite grantee visits, including monitoring visits, serve to minimize risk both in the grant award phase as well as during the grant's period of performance.

FY 2020

In FY 2020, Department initiatives focus on continuing to advance implementation of the President's 2017 Executive Order on Expanding Apprenticeship by improving our ability to respond to the current apprenticeship program sponsors. The scope of projects under consideration for FY 2020 funding include, but are not limited to, expansion of apprenticeship programs and

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opportunities, regulation implementation (such as IRAP technology and performance reporting, IRAP application paneling, and customer relationship management), awarding new grants as authorized, and ongoing implementation and oversight of existing Apprenticeship grants. Staff will continue to oversee over 27 apprenticeship contracts, 155 apprenticeship grants, and a number of other competitive grant programs across ETA utilizing apprenticeship strategies. Many of these require technical assistance. Onsite visits, including monitoring visits, serve to minimize risk both in the grant award phase as well as during the course of the grant.

ETA tracks obligations by activity (i.e. Training & Employment, Workforce Security, Apprenticeship, and Executive Direction); however, within an activity, obligations are not tracked by specific tasks. There are 9 FTE, assigned to the Apprenticeship activity, who contribute a portion of their time to staffing the IRAP effort.

FY 2019

In FY 2019, the Department focused on continuing to advance implementation of the President's 2017 Executive Order on Expanding Apprenticeship through improving our ability to respond to the current apprenticeship program sponsors. Staff continued to oversee over 27 apprenticeship contracts, 155 apprenticeship grants, and a number of other competitive grant programs across ETA utilizing apprenticeship strategies. The Department supported critical IT Modernizations projects, including Customer Relations Management (CRM) solutions, a key aspect of modernizing customer support, interaction, and servicing. Additionally, the Department invested in the new IRAP accreditor application portal and other IRAP development activities.

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WORKLOAD AND PERFORMANCE SUMMARY				
	FY 2019 Enacted		FY 2020 Enacted	FY 2021 Request
	Target	Result	Target	Target
Apprenticeship				
Strategic Goal 1 - Support the Ability of All Americans to Find Good Jobs				
Strategic Objective ETA 1.1 - Create customer-focused workforce solutions for American workers.				
ETA-OA-02	Number of New Apprentices		400,000	489,928
			720,000	1,000,000

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

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Workload and Performance Summary

The Department will continue efforts to meet its goal to enroll 1 million new apprentices over the period of FY 2018 – FY 2021 to enable more Americans to obtain jobs that pay a family-sustaining wage. For the workload table above, the Department based the targets on the cumulative running count that began in FY 2018 to achieve the Department’s overall strategic goal of 1 million new apprentices by the end of FY 2021.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
11.1	Full-time permanent	15,086	15,086	15,604	518
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	360	360	540	180
11.9	Total personnel compensation	15,446	15,446	16,144	698
12.1	Civilian personnel benefits	5,892	5,892	5,849	-43
13.0	Benefits for former personnel	12	12	12	0
21.0	Travel and transportation of persons	724	724	724	0
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	1,068	1,068	1,068	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	216	216	216	0
24.0	Printing and reproduction	16	16	16	0
25.1	Advisory and assistance services	40	40	40	0
25.2	Other services from non-Federal sources	1,500	1,500	1,500	0
25.3	Other goods and services from Federal sources 1/	9,102	9,102	9,102	0
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	2,100	2,100	1,693	-407
26.0	Supplies and materials	32	32	22	-10
31.0	Equipment	12	12	4	-8
42.0	Insurance claims and indemnities	0	0	0	0
	Total	36,160	36,160	36,390	230
	1/Other goods and services from Federal sources				
	Working Capital Fund	8,764	8,955	8,955	0
	DHS Services	133	133	133	0
	GSA Services	191	0	0	0

APPRENTICESHIP

CHANGES IN FY 2021

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$260
Personnel benefits	86
One day less of Pay	-97
Federal Employees' Compensation Act (FECA)	-19
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	0
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 **\$230**

Net Program **\$0**

Direct FTE **0**

	Estimate	FTE
Base	\$36,390	145
Program Increase	\$0	0
Program Decrease	\$0	0

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	9,113	9,113	9,172	59
FTE	46	43	43	0

NOTE: FTE for all years reflect the Shared Services Realignment.

NOTE: FY 2019 reflects actual FTE. Authorized FTE for FY 2019 was 45.

Introduction

Executive Direction activities provide leadership and policy for all training and employment service programs and activities and for related program operations support, including research, evaluations, demonstrations, program and performance management, legislative relations, regulatory development, dissemination of formal policies and notices, and Operating Plan development and management. 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 operations measures and milestones aligned with the goals;
- Developing and managing pilot, demonstration, research, and evaluation activities, and analyzing and disseminating results of these activities to internal and external audiences;
- Collecting, analyzing, reporting, and validating performance data on a regular basis from a variety of sources to create consolidated performance reports critical for agency decision-makers, and to inform workforce system partners and stakeholders;
- Developing and refining performance measures in alignment with Federal priorities and alignment of performance accountability across the Department’s programs, including continued implementation of the statutory requirements of the Workforce Innovation and Opportunity Act (WIOA), and other workforce programs;
- Setting national performance targets to effectively set the agenda for program performance in accordance with priorities;
- Providing legislative support and technical assistance to Congress, and coordinating the alignment of technical expertise with agency priorities, resources, and capacity to improve the effectiveness and efficiency of existing programs, initiatives, and policies. This work includes management of Government Accountability Office (GAO) engagements;
- Development of the agency’s Regulatory Agenda, and support for regulatory and de-regulatory activities; and
- Oversight of the official system for disseminating agency guidance and notices.

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Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2016	\$9,113	47
2017	\$9,113	45
2018	\$9,113	40
2019	\$9,113	45
2020	\$9,113	43

FY 2021

The FY 2021 Budget requests \$9,172,000 and supports 43 FTE.

Staff will continue work on ETA and Departmental initiatives, including policy and legislative functions, analyzing and disseminating key performance data associated with WIOA, providing leadership to the agency on policy issues, including support for execution of the agency's regulatory agenda, and providing project management for continuing research and evaluation efforts. This leadership and support is critical to the program offices as they implement strategies to achieve the Department's performance goals. In FY 2021, these staff, collaborating with the Office of the Chief Information Officer (OCIO), will continue to maintain ETA's performance reporting systems, make data entry simpler for stakeholders, and improve data analysis capabilities.

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

Staff in OPDR conduct pilots, demonstrations, research and evaluations in cooperation with the Department's Chief Evaluation Office (CEO). OPDR staff interpret the findings, conclusions and recommendations into usable information, and disseminate reports and summaries to inform policy and program decision-making. Pilots and demonstrations of promising workforce development interventions and strategies enable ETA to determine if there are effective means of providing workforce system customers with temporary income support while unemployed, reemployment services, and skills instruction, and can be replicated and brought to scale. Rigorous evaluations enable ETA to measure the impact of existing workforce development strategies. By providing technical assistance to states, OPDR staff also help build state capacity regarding their research and evaluation responsibilities under WIOA. ETA devotes considerable effort to support state evaluation capacity-building, as this relates to WIOA Section 116. Activities are underway to provide evaluation and data systems guidance, tools, and technical assistance to State Workforce Agencies (SWAs). ETA seeks to both learn from state experiences and create peer support to expand emerging and best research and evaluation practices.

OPDR also manages ETA program performance reporting and analysis; publishes performance information and provides the information and tools that grantees use for data collection, validation, and performance reporting; and develops and publishes guidance to inform the

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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 Assistant Secretary for Policy (OASP). In FY 2021, OPDR will continue to serve as ETA’s liaison to GAO, OCIA, and ILAB, and to coordinate ETA’s participation in GAO audits, OCIA inquiries, and international engagements. OPDR will also continue to administer the ETA Regulatory Agenda, support the Department’s regulatory and de-regulatory efforts, and aid the Department’s research and evaluation efforts, working closely with OASP. Through its communication efforts, support, and cross-organizational interactions, OPDR fulfills a necessary function that assists ETA leadership in carrying out the agency’s mission, meeting legislative and oversight requirements, and promoting accountability.

FY 2020

As described in FY 2021, staff will 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 2020, staff will 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 and data quality. In addition, staff work on execution of the agency’s Regulatory Agenda, including publishing final rules Establishing Appropriate Occupations for Drug Testing of Unemployment Compensation Applicants Under the Middle Class Tax Relief and Job Creation Act of 2012, Modernizing Recruitment for the Temporary Employment of H-2B Foreign Workers in the United States, and issuing a Notice of Proposed Rulemaking relating to the Trade Adjustment Assistance for Workers program, among others.

FY 2019

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

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

OPDR also managed ETA program performance reporting and analysis; published performance

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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.

Through legislative support activities, OPDR helped position the agency to provide leadership on legislative proposals that furthered the Department's goals. OPDR also worked with Congress, as requested, on legislative proposals that, if enacted, could impact the agency's ability to reach its outcome goals. OPDR also ensured that Department and ETA priorities and expertise contributed to the development of policies, including new programs government-wide and regulations. For example, ETA issued final regulations regarding Modernizing Recruitment for the Temporary Employment of H-2A Foreign Workers in the United States and the Labor Certification Process for Temporary Employment in the Commonwealth of the Northern Mariana Islands (CW-1 Workers). OPDR also coordinated the dissemination of all agency guidance, ensuring that the public workforce system received timely information on program policies and direction, the publication of research and evaluation findings, and the availability of technical assistance tools and resources. OPDR continued to play a critical role in ETA's implementation of WIOA, analyzing and interpreting legislation and regulations, and ensuring ETA achieved implementation targets.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
11.1	Full-time permanent	3,984	3,984	4,074	90
11.3	Other than full-time permanent	68	68	69	1
11.5	Other personnel compensation	88	88	137	49
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	4,140	4,140	4,280	140
12.1	Civilian personnel benefits	1,612	1,612	1,622	10
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	40	40	40	0
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	716	716	716	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	0	0	0	0
24.0	Printing and reproduction	16	16	16	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	184	184	184	0
25.3	Other goods and services from Federal sources 1/	2,306	2,306	2,306	0
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	71	71	0	-71
26.0	Supplies and materials	24	24	8	-16
31.0	Equipment	4	4	0	-4
42.0	Insurance claims and indemnities	0	0	0	0
	Total	9,113	9,113	9,172	59
	1/Other goods and services from Federal sources				
	Working Capital Fund	2,174	2,174	2,174	0
	DHS Services	52	52	52	0
	Census Services	75	75	75	0

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CHANGES IN FY 2021

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$66
Personnel benefits	21
One day less of Pay	-23
Federal Employees' Compensation Act (FECA)	-5
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	0
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 **\$59**

Net Program **\$0**

Direct FTE **0**

	Estimate	FTE
Base	\$9,172	43
Program Increase	\$0	0
Program Decrease	\$0	0

TICKET TO WORK

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021⁵ Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	0	0	0	0
FTE	0	0	0	0

NOTE: FTE for all years reflect the Shared Services Realignment.

Introduction

The Social Security Administration (SSA) Ticket to Work Program (TTW) is a free and voluntary program available to people ages 18 through 64 who are blind or have a disability and who receive Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) benefits.

Established in 1999 and administered by the SSA, TTW was designed to increase access to and the quality of employment services for eligible SSDI beneficiaries and SSI recipients by creating a competitive market to provide employment services. In its current form, the Ticket to Work program faces several challenges in attempting to meet its mission. First, the program falls outside of SSA’s core mission of administering OASI, SSDI, and SSI programs. Second, the program duplicates administrative structures and services where robust State and local workforce systems already exist. Finally, the program is administratively burdensome, making it difficult for beneficiaries, employers, and service providers to effectively interact with the program.

The Budget proposes to move the Ticket to Work Program to ETA, the Federal government’s leading workforce development agency. It would empower the American Job Center network to carry out the Ticket to Work Program in concert with other workforce programs. In addition, it would simplify program rules while improving structure and outcomes of the performance-based funding allocation. The reformed program will move toward a more integrated, effective, and efficient system for supporting SSDI beneficiaries and SSI recipients in obtaining and sustaining employment.

Reform features include aligning Ticket performance measures with WIOA core performance measures; improving the capacity of American Job Centers (AJCs) to serve persons with disabilities; and changing the payment structure from individual vouchers to performance bonuses combined with basic administrative funding by formula to states, including tiered payments based on level of performance. The program would retain key features such as benefits counseling and suspension of Continuing Disability Reviews (CDRs) while disability beneficiaries are pursuing employment. The Office of Disability Employment Policy (ODEP) will provide policy guidance to ETA to support its new responsibilities in implementing the transfer and administration of the program.

The ultimate goals of the proposal include:

⁵ The amounts do not reflect proposed transfer of \$11 million in discretionary resources from the Social Security Administration to ETA for Federal administration of the Ticket to Work program.

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- Increasing the number of disability beneficiaries who participate in the program, succeed in employment, and achieve economic mobility;
- Improving the experience of individual program participants;
- Reducing program fragmentation and duplication;
- Establishing national uniformity in essential program features while allowing local innovation;
- Restructuring funding mechanisms and performance metrics to align with the Workforce Innovation and Opportunity Act (WIOA);
- Providing financial incentives to states that perform well;
- Leveraging ETA's expertise in promoting innovative workforce development solutions and employment; and
- Better integrating services for disability beneficiaries into the core workforce system.

Fiscal Year

Funding (Dollars in Thousands)

FTE

FY 2021

The FY 2021 Budget proposes to transfer \$11 million in administrative funding from the Social Security Administration to the PA account for Federal administrative costs associated with the TTW program.