

U.S. Department of Labor

Good jobs for everyone



Summary of Performance and Financial Information

FY 2009

Secretary's Message

February 15, 2010



I am pleased to submit the Department of Labor's (DOL) Fiscal Year (FY) 2009 Summary of the Performance and Financial Information, an abbreviated version of the [FY 2009 Performance and Accountability Report](#) (PAR). It is important to note that the strategic goals, performance goals and indicators in this report were established by the previous Administration. This Report highlights 12 key performance goals that represent DOL's FY 2009 performance. These goals were selected from a total of 23 goals. Soon after my arrival, we embarked on the development of DOL's next strategic plan, which will be published in September 2010 and take the Department through 2016. The updated plan will reflect the future direction of the Department – and it will support a bold vision of *good jobs for everyone*. If you wish to have greater detail regarding DOL's performance, accomplishments and financial information in FY 2009, the above hyperlink will take you to the entire report and its individual sections.

It was my honor and privilege to have been nominated to serve as Secretary of Labor by President Obama. Immediately after my February 24, 2009, Senate confirmation as Secretary, I went to work to strengthen the Department's mission. Since that time, I have communicated my vision of *good jobs for everyone* – and, working with the talented staff in each of the Department's agencies, – I have identified five new strategic goals and the following 13 outcome goals that directly support that vision:

1. Increasing workers' incomes and narrowing wage and income inequality.
2. Securing safe and healthy workplaces, particularly in high-risk industries.
3. Securing wages and overtime.
4. Assuring skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like "green" jobs.
5. Breaking down barriers to fair and diverse work places so that every worker's contribution is respected.
6. Improving health benefits and retirement security for all workers.
7. Providing workplace flexibility for family and personal care-giving.
8. Facilitating return to work for workers experiencing workplace injuries or illnesses who are able to work and sufficient income and medical care for those who are unable to work.
9. Income support when work is impossible or unavailable.
10. Helping workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.
11. Voice in the workplace.
12. Assuring that global markets are governed by fair market rules that protect vulnerable people, including women and children, and provide workers a fair share of their productivity and voice in their work lives.
13. Helping middle-class families remain in the middle class.

Through my vision of *good jobs for everyone* and the supporting outcome goals, we continue to make strategic investments in opportunities for Americans to help them through these difficult times. But we can't do it alone. So, I invite you to do a little more: mentor a young person, volunteer at a veterans' center, or just help a friend who needs a little care and support. If each of us makes a personal commitment to make a contribution to the recovery of our economy and our nation, our efforts *will* make a difference.

And now, let's *all* do the work that will get America working.

A handwritten signature in black ink that reads "Hilda L. Solis". The signature is written in a cursive, flowing style.

Hilda L. Solis
Secretary of Labor

Department of Labor Mission, Goal Structure and Performance Overview

DOL Mission

Foster and promote the welfare of job seekers, wage earners, and retirees of the U.S. by improving their working conditions, advancing their opportunities for profitable employment, protecting their retirement and health care benefits, helping employers find workers, strengthening collective bargaining, and tracking changes in employment, prices and other national economic measures.



DOL Goals

The Department's goal structure as outlined in the previous strategic plan¹ has three levels:

- **Strategic Goals**

In FY 2009, four strategic goals focused DOL's various activities on outcomes associated with a common mission:

Goal 1 – A Prepared Workforce: *Develop a prepared workforce by providing effective training and support services to new and incumbent workers and supplying high quality information on the economy and labor market.*

Goal 2 – A Competitive Workforce: *Meet the competitive labor demands of the worldwide economy by enhancing the effectiveness and efficiency of the workforce development and regulatory systems that assist workers and employers in meeting the challenges of global competition.*

Goal 3 – Safe and Secure Workplaces: *Promote workplaces that are safe, healthful and fair; guarantee workers receive the wages due them; foster equal opportunity in employment; and protect veterans' employment and reemployment rights.*

Goal 4 – Strengthened Economic Protections: *Protect and strengthen worker economic security through effective and efficient provision of unemployment insurance and workers' compensation; ensuring union transparency; and securing pension and health benefits.*

- **Performance Goals**

Each strategic goal is supported by several performance goals that are aligned with DOL's organization and appropriations to provide clarity of purpose and accountability at the program level. This report includes 12 key performance goals of the 23 performance goals included in the FY 2009 PAR.

- **Performance Indicators**

Performance goal achievement is determined by aggregating results for one or more quantitative indicators (measures) using a strict, transparent rule.² The performance goals covered in this summary include 52 of the FY 2009 PAR's 82 performance indicators.

Strategic Goals	FY 2009/PY 2008 Performance Goal Achievement Summary			
	Goals Achieved	Substantially Achieved	Not Achieved	Total
Goal 1 – A Prepared Workforce	2	0	3	5
Goal 2 – A Competitive Workforce	4	0	4	8
Goal 3 – Safe and Secure Workplaces	3	0	2	5
Goal 4 – Strengthened Economic Protections	1	0	4	5
Total	10	0	13	23

¹ In FY 2010, the structure changed. Thirteen outcome goals are supported by numerous programs and performance indicators and shared by different groups of agencies. These goals, which were introduced in the Secretary's Message, are linked to existing programs in the Analysis and Future Plans sections of each performance goal narrative in the Performance Section.

² *Achieved* means all indicator targets were reached. *Substantially Achieved* means targets are reached or results improved over the prior year for all indicators if there are four or fewer and for 80 percent if there are five or more.

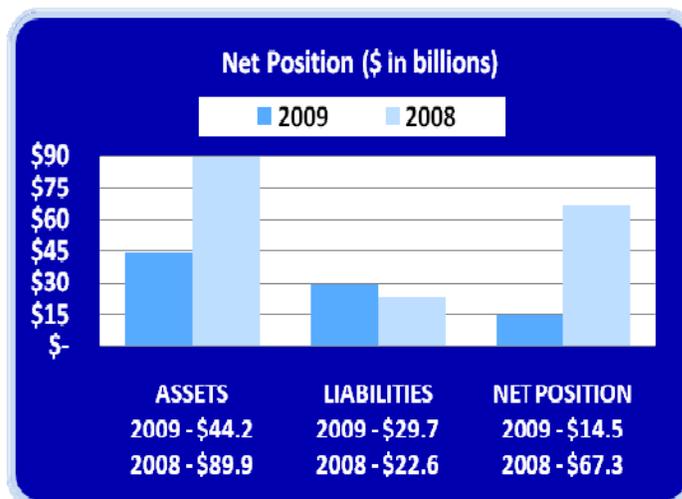
Key Performance Goal Overview

Performance Goals *Some indicator results estimated	FY 2006 PY 2005	FY 2007 PY 2006	FY 2008 PY 2007	FY 2009 PY 2008
<i>Key Performance Goals from Strategic Goal 1 – A Prepared Workforce</i>				
Bureau of Labor Statistics – Improve information available to decision-makers on labor market conditions, and price and productivity changes. FY 2009 – 6 Indicator Targets Reached	Goal Not Achieved	Goal Achieved	Goal Not Achieved	Goal Achieved
Job Corps – Improve educational achievements of Job Corps students and increase participation of Job Corps graduates in employment and education. PY 2008 – 2 Indicator Targets Reached, 3 Not Reached	Goal Not Achieved	Goal Not Achieved	Goal Not Achieved	Goal Not Achieved
Veterans Employment and Training Service – Improve employment outcomes for veterans who receive One-Stop Career Center services. PY 2008 – 4 Indicator Targets Not Reached	Goal Achieved	Goal Not Achieved	Goal Achieved	Goal Not Achieved
<i>Key Performance Goals from Strategic Goal 2 – A Competitive Workforce</i>				
Employment and Training Administration (ETA) Workforce Investment Act (WIA) Adult program – Increase the employment, retention, and earnings of individuals registered under the WIA Adult Program. PY 2008 – 3 Indicator Targets Reached*	Goal Achieved	Goal Not Achieved	Goal Not Achieved	Goal Achieved
ETA WIA Dislocated Worker program – Increase the employment, retention, and earnings of individuals registered under the WIA Dislocated Worker Program. PY 2008 – 2 Indicator Targets Reached, 1 Not Reached*	Goal Not Achieved	Goal Not Achieved	Goal Not Achieved	Goal Not Achieved
ETA Employment Service – Improve outcomes for job seekers who receive Employment Services through the One-Stop Career Centers and virtual workforce resources. PY 2008 – 2 Indicator Targets Reached, 1 Not Reached*	**	Goal Not Achieved	Goal Achieved	Goal Not Achieved
<i>Key Performance Goals from Strategic Goal 3 – Safe and Secure Workplaces</i>				
Occupational Safety and Health Administration – Improve workplace safety and health through compliance assistance and enforcement of occupational safety and health regulations and standards. FY 2009 – 2 Indicator Targets Reached*	**	Goal Achieved	Goal Achieved	Goal Achieved
Mine Safety and Health Administration – Reduce work-related fatalities, injuries, and illnesses in mines. FY 2009 – 4 Indicator Targets Reached*	**	Goal Substantially Achieved	Goal Substantially Achieved	Goal Achieved
Wage and Hour Division – Ensure workers receive the wages due them. FY 2009 – 4 Indicator Targets Reached	Goal Achieved	Goal Not Achieved	Goal Not Achieved	Goal Achieved
<i>Key Performance Goals from Strategic Goal 4 – Strengthened Economic Protections</i>				
Unemployment Insurance – Make timely and accurate benefit payments to unemployed workers, facilitate the reemployment of Unemployment Insurance (UI) claimants, and set up unemployment tax accounts promptly for new employers. FY 2009 – 1 Target Reached, 3 Not Reached*	Goal Not Achieved	Goal Not Achieved	Goal Not Achieved	Goal Not Achieved
Office of Workers' Compensation Programs – Reduce the consequences of work-related injuries. FY 2009 – 8 Indicator Targets Reached, 3 Not Reached*	Goal Achieved	Goal Substantially Achieved	Goal Substantially Achieved	Goal Not Achieved
Employee Benefits Security Administration – Enhance pension and health benefit security. FY 2009 – 3 Indicator Targets Reached	**	Goal Achieved	Goal Achieved	Goal Achieved

** Performance goals with indicators that do not apply to the current year are not shown. Legacy data for all DOL programs is available by clicking the hyperlink for the [About the U.S. Department of Labor](#) web page.

DOL Financial Highlights

Overall unemployment benefit payments increased 185% in FY 2009, as the average unemployment rate rose from 5.3% to 8.6%. In addition to regular unemployment benefits (\$84.5 billion), the Recovery Act provided emergency benefits through the extension of the Emergency Unemployment Compensation program (\$29.0 billion) and additional benefits through the temporary Federal Additional Compensation program (\$6.5 billion). This \$120 billion helped ease the burden of recession on workers and employers. To fund this increase in unemployment benefits, \$53.5 billion in Unemployment Trust Fund (UTF) investments was liquidated in FY 2009, and \$8.0 billion in new UTF debt was borrowed from the U.S. Treasury; contributing to a 51% decline in DOL's assets, a 31% increase in its liabilities, and a 78% decrease in its net position at the end of FY 2009.



Reporting Entity and Net Cost of Operations

DOL reports annually its financial position, net cost of operations, changes in net position, budgetary resources, and the financial condition of its social insurance program in Consolidated Financial Statements, prepared in accordance with U.S. generally accepted accounting principles and the financial reporting requirements of OMB. The DOL reporting entity is organized by major program agencies, which conduct operations in five major program areas, through execution of DOL's Congressional budget. The net cost of operations of DOL's major programs for FY 2009 and 2008, and their relationship to the Department's major program operating agencies and strategic goals are shown in the table below:

COSTS BY MAJOR PROGRAM (\$ in millions)					
Major Program	Major Operating Agency ¹	Corresponding Strategic Goal	Net Cost 2009	Net Cost 2008	Change
Income maintenance	ETA, ESA	SG-4	\$129,571	\$50,314	\$79,257
Employment and training	ETA, VETS, Job Corps	SG-1, SG-2	7,194	5,692	1,502
Labor, employment and pension standards	ESA, EBSA, VETS	SG-3, SG-4	707	681	26
Worker safety and health	OSHA, MSHA	SG-3	941	918	23
Statistics	BLS	SG-1	621	606	15
Cost not assigned to programs			84	96	-12
TOTAL NET COST OF OPERATIONS			\$139,118	\$58,307	\$80,811

¹ Employment and Training Administration (ETA), Employment Standards Administration (ESA), Veterans Employment and Training Service (VETS), Office of Job Corps (OJC), Employee Benefits Security Administration (EBSA), Occupational Safety and Health Administration (OSHA), Mine Safety and Health Administration (MSHA), and Bureau of Labor Statistics (BLS).

Major Program Components

- Income Maintenance Programs**

Unemployment Insurance (UI) programs managed by ETA through the Federal / State UI system provide administrative grants to States, and regular, emergency and temporary unemployment benefits to eligible unemployed workers; financed by employer payroll taxes and Congressional appropriations. Total UI system costs were \$123.5 billion in FY 2009, a \$78.5 billion increase over 2008.

Workers' Compensation programs administered by ESA pay compensation for wage loss and other benefits to eligible Federal employees and their survivors; provide benefits to eligible workers of the Department of Energy and their eligible survivors for occupational diseases resulting from their work at covered facilities; and provide

benefits to coal miners disabled due to black lung disease. Net workers' compensation and disability benefits under DOL's workers' compensation programs in FY 2009 were \$1.6 billion, a 36% decrease over 2008. This decrease was offset by a \$2.5 billion non-recurring loss on refinanced debt in the Black Lung Disability Trust Fund, resulting in a 29% increase in the total cost of DOL's workers' compensation programs in FY 2009.

- **Employment and Training Programs**

Employment and Training programs managed by ETA, Job Corps and VETS through a system of Federal, State and local programs, and a network of grantees and contractors, increase national economic productivity through adult, youth, dislocated worker, older worker and trade adjustment assistance employment and training programs for the economically disadvantaged and veterans. The net cost of DOL's employment and training programs in FY 2009 was \$7.2 billion, a 26% increase over 2008.

- **Major Enforcement, Compliance, and Statistical Programs**

Labor, Employment and Pension Standards programs designed to enforce and assist compliance with legal standards, including minimum wage and overtime, child labor protections, and labor union standards; to protect private employee pension, health and other benefit plans against fraud and abuse; and to mitigate issues which arise for service members between their military obligations and civilian employment are conducted by ESA, EBSA and VETS respectively.

Worker Safety and Health programs designed to protect the safety and health of America's workforce through workplace inspection, enforcement, compliance assistance, education, training, and technical support are operated by OSHA and MSHA.

Statistics programs designed to produce and disseminate timely, accurate and relevant information on the economy are operated by BLS.

The net cost of enforcement, compliance, and statistical programs in FY 2009 was \$2.3 billion, a 3% increase over 2008.

Financial Position

DOL's assets, liabilities and net position at September 30, 2009 and 2008 are shown below.

SUMMARY OF CONSOLIDATED BALANCE SHEET			
As of September 30, 2009 and 2008			
(\$ in thousands)			
ASSETS	2009	2008	Change
Funds with U. S. Treasury	\$ 14,406,751	\$ 9,428,930	\$ 4,977,821
Investments in Treasury securities	20,111,346	73,564,675	-53,453,329
Accounts receivable and advances	8,512,436	5,809,715	2,702,721
Property, plant and equipment	1,154,240	1,140,999	13,241
TOTAL ASSETS	\$ 44,184,773	\$ 89,944,319	\$ -45,759,546
LIABILITIES AND NET POSITION			
Liabilities			
Accounts payable and other liabilities	\$ 1,724,157	\$ 1,509,274	\$ 214,883
Debt	14,351,967	10,483,557	3,868,410
Unemployment and workers' compensation benefits	13,580,072	10,637,731	2,942,341
Total liabilities	29,656,196	22,630,562	7,025,634
Net position	14,528,577	67,313,757	-52,785,180
TOTAL LIABILITIES AND NET POSITION	\$ 44,184,773	\$ 89,944,319	\$ -45,759,546

Management's Response to Top Management Challenges

The Department's responses and presentation of its progress on the Top Management Challenges are shown as actions and planned actions to address each challenge and are displayed below. The tables also include information from Government Accountability Office (GAO) audits and planned actions identified for FY 2009 from the FY 2008 PAR. The table's three columns break out the Management Challenges into specific issues (left column), actions taken in FY 2009 (center column), and actions remaining/expected completion date (right column). Throughout the past year, the Department closely tracked its progress in addressing the Top Management Challenges, with agencies reporting quarterly on their corrective actions. Also included is the Department's own assessment of progress for FY 2009 using a spotlight system: ● Green – Actively Implementing All Remedial Actions; ● Yellow – Actively Implementing Most Remedial Actions; and, ● Red – Not Implementing Most Remedial Actions. Additional information on many of these management challenges and their specific issues is in the performance goal narratives. The Department aggressively pursues corrective action for all significant challenges, whether identified by the OIG, GAO, the Office of the Chief Financial Officer (OCFO), or other sources within the Department.

The complete list of this year's [Top Management Challenges](#), as identified by the Office of the Inspector General (OIG), can be accessed by clicking the above hyperlink and on pages 265-277 of the FY 2009 PAR. [Management's Response](#) can be accessed by clicking on the above hyperlink and on pages 279-295 of the PAR. The following table summarizes information from Management's Response to the Management Challenges. It highlights 3 key challenges, associated management actions to date, and the Department's assessment of its progress for each. The challenges are noteworthy due to their public prominence and their impact on American workers and their families.

Top Management Challenge	Issue	Actions Remaining	DOL's Assessment of its Own Progress
Implementing the American Recovery and Reinvestment Act of 2009	<ul style="list-style-type: none"> Implement Recovery Act Performance Requirements Administer the extension and subsidization of COBRA for certain groups of eligible laid off workers. Ensure the Federal Additional Compensation benefits are accounted for correctly. Demonstrate that grants are properly awarded, funds are properly spent and these investments achieve their intended outcomes. 	<ul style="list-style-type: none"> Ensure all Final Recovery Act risk plans are consistent with OMB Risk Management guidelines. Review and address any accounting and reporting discrepancies. Monitor progress of grant investments to ensure they yield intended outcomes. 	
Protect the Safety and Health of Workers	<ul style="list-style-type: none"> Strengthen MSHA accountability program and monitor implementation of management controls. Develop and distribute a crosswalk to Federal OSHA citations for State standards that have different coding than Federal OSHA Standards. 	<ul style="list-style-type: none"> Update revised handbook to include additional oversight activities Develop and distribute a crosswalk, conditional on priorities and funding – October 2011. 	
Improving Performance Accountability of Grants	<ul style="list-style-type: none"> Ensure that grantees accomplish their grant objectives and enhance monitoring of direct grants. Ensure adequate documentation of costs for discretionary grants. 	<ul style="list-style-type: none"> Train Grant Officers on reviewing Statements of Work and grantees' activities. Provide technical assistance to grantees. Conduct Federal Project Officer training for grant monitoring, particularly documentation required of grantees. 	



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