

FY 2012

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Training and Employment Services

TRAINING AND EMPLOYMENT SERVICES

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APPROPRIATION LANGUAGE

(including transfer of funds)

For necessary expenses of the Workforce Investment Act of 1998 ("WIA"), the Second Chance Act of 2007, and the Women in Apprenticeship and Non-Traditional Occupations Act of 1992, including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the WIA, and the Workforce Innovation Fund, as established by this Act;

\$3,626,947,000 plus reimbursements, shall be available. Of the amounts provided:

(1) for grants to States for adult employment and training activities, youth activities, and dislocated worker employment and training activities, and for the Workforce Innovation Fund, as established by this Act, \$2,959,043,000 as follows:

(A) \$860,527,000 for adult employment and training activities, of which 8 percent, to remain available until September 30, 2013, shall be available to the Secretary for the Workforce Innovation Fund, and of which \$148,527,000 shall be available for the period July 1, 2012, through June 30, 2013, and of which \$712,000,000 shall be available for the period October 1, 2012 through June 30, 2013;

(B) \$923,913,000 for youth activities, which shall be available for the period April 1, 2012 through June 30, 2013, and of which 8 percent, to remain available until September 30, 2013, shall be available to the Secretary for the Workforce Innovation Fund; and

(C) \$1,174,603,000 for dislocated worker employment and training activities, of which 8 percent, to remain available until September 30, 2013, shall be available to the Secretary for the Workforce Innovation Fund, and of which \$314,603,000 shall be available for the period July 1, 2012 through June 30, 2013, and of which \$860,000,000 shall be available for the period

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October 1, 2012 through June 30, 2013; Provided, That notwithstanding the transfer limitation under section 133(b)(4) of the WIA, up to 30 percent of funds allocated to a local area from appropriations under subparagraphs (A) and (C) may be transferred by a local board if approved by the Governor: Provided further, That a local board may award a contract to an institution of higher education or other eligible training provider if the local board determines that it would facilitate the training of multiple individuals in high-demand occupations, if such contract does not limit customer choice: Provided further, That notwithstanding section 128(a)(1) of the WIA, the amount available to the Governor for statewide workforce investment activities shall not exceed 7.5 percent of the amount allotted to the State from each of the appropriations under the preceding subparagraphs;

(2) for federally administered programs, \$485,938,000 as follows:

(A) \$229,160,000 for the dislocated workers assistance national reserve, of which \$29,160,000 shall be available for the period July 1, 2012 through June 30, 2013, and of which \$200,000,000 shall be available for the period October 1, 2012 through June 30, 2013: Provided, That funds provided to carry out section 132(a)(2)(A) of the WIA may be used to provide assistance to a State for State-wide or local use in order to address cases where there have been worker dislocations across multiple sectors or across multiple local areas and such workers remain dislocated; coordinate the State workforce development plan with emerging economic development needs; and train such eligible dislocated workers: Provided further, That funds provided to carry out section 171(d) of the WIA may be used for demonstration projects that provide assistance to new entrants in the workforce and incumbent workers: Provided further, That none of the funds shall be obligated to carry out section 173(e) of the WIA;

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(B) \$54,158,000 for Native American programs, which shall be available for the period July 1, 2012 through June 30, 2013;

(C) \$86,620,000 for migrant and seasonal farmworker programs under section 167 of the WIA, including \$80,710,000 for formula grants (of which not less than 70 percent shall be for employment and training services), \$5,400,000 for migrant and seasonal housing (of which not less than 70 percent shall be for permanent housing), and \$510,000 for other discretionary purposes, which shall be available for the period July 1, 2012 through June 30, 2013: Provided, That notwithstanding any other provision of law or related regulation, the Department of Labor shall take no action limiting the number or proportion of eligible participants receiving related assistance services or discouraging grantees from providing such services;

(D) \$1,000,000 for carrying out the Women in Apprenticeship and Nontraditional Occupations Act, which shall be available for the period July 1, 2012 through June 30, 2013; and

(E) \$115,000,000 for YouthBuild activities as described in section 173A of the WIA, which shall be available for the period April 1, 2012 through June 30, 2013;

(3) for national activities, \$181,966,000, as follows:

(A) \$6,616,000 in addition to any amounts available under paragraph (1) for Pilots, Demonstrations, and Research, which shall be available for the period April 1, 2012 through June 30, 2013;

(B) \$90,000,000 for ex-offender activities, under the authority of section 171 of the WIA and section 212 of the Second Chance Act of 2007, which shall be available for the period April 1, 2012 through June 30, 2013, notwithstanding the requirements of section 171(b)(2)(B) or 171(c)(4)(D) of the WIA: Provided, That of this amount, \$20,000,000 shall be for competitive grants to national and regional intermediaries for activities that prepare young ex-offenders and

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school dropouts for employment, with a priority for projects serving high-crime, high-poverty areas;

(C) \$11,600,000 for Evaluation, which shall be available for the period July 1, 2012 through June 30, 2013;

(D) \$60,000,000 for activities that prepare workers for careers in energy efficiency and renewable energy as described in section 171(e)(1)(B) of the WIA, under the authority of section 171 of the WIA, which shall be available for the period July 1, 2012 through June 30, 2013, and which shall not be subject to the requirements of section 171(b)(2)(B) or 171(c)(4)(D); and

(E) \$13,750,000 for the Workforce Data Quality Initiative, under the authority of section 171(c)(2) of the WIA, which shall be available for the period July 1, 2012 through June 30, 2013, and which shall not be subject to the requirements of section 171(c)(4)(D).

Note.--A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

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EXPLANATION OF LANGUAGE CHANGE

The Administration is proposing to amend the FY 2012 appropriations language under the Training and Employment Services (TES) heading for a number of purposes. The primary purpose of the changes would be to make available to the Secretary of Labor a portion of the funds from the WIA formula programs for the Workforce Innovation Fund that would be established under this appropriations Act. The detailed provisions relating to the Fund are contained in the General Provisions in Title V of this appropriations Act and a description of the fund and its operation is contained in the ETA Overview narrative.

Subparagraphs (A), (B), and (C) of paragraph (1) under the TES heading would be amended to make 8 percent of the funds appropriated for each of the formula grants (the formula grants for adult employment and training activities, youth activities, and dislocated worker employment and training activities, respectively), available to the Secretary of Labor for the Workforce Innovation Fund.

In order to ensure that the amounts reserved for the Workforce Innovation Fund do not result in reducing the funding available for allocations to local areas to provide services under the formula programs, a proviso is added at the end of paragraph (1). Under the proviso, the Governor may reserve not more than 7.5 percent of the allotments to the State under each of the WIA formula programs for statewide activities in lieu of the not more than 15 percent reservation allowed under current law.

The TES appropriations language would also be changed with respect to the appropriation for ex-offender activities under paragraph (3)(B) by adding a proviso designating that \$20,000,000 of the funds appropriated for such activities would be for competitive grants to national or regional intermediaries for activities that prepare young ex-offenders and school dropouts for employment. A priority would be provided to projects that serve high-crime, high-poverty areas.

Prior language providing appropriations for Transitional Jobs is deleted since such activities may be funded under the Workforce Innovation Fund.

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ANALYSIS OF APPROPRIATION LANGUAGE

Not Applicable.

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TRAINING AND EMPLOYMENT SERVICES**

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2010 Enacted		FY 2011 Full Year C.R.		FY 2012 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	\$2,056,530	0	\$2,056,530	0	\$1,854,947
Real Transfer to EBSA for Implementation of ACA	0	-\$451	0	\$0	0	\$0
<i>Subtotal Appropriation</i>	<i>0</i>	<i>\$2,056,079</i>	<i>0</i>	<i>\$2,056,530</i>	<i>0</i>	<i>\$1,854,947</i>
Offsetting Collections From:						
Fees	0	\$114,026	0	\$125,000	0	\$125,000
Advance Appropriation	0	\$1,772,000	0	\$1,772,000	0	\$1,772,000
<i>Subtotal</i>	<i>0</i>	<i>\$1,886,026</i>	<i>0</i>	<i>\$1,897,000</i>	<i>0</i>	<i>\$1,897,000</i>
B. Gross Budget Authority	0	\$3,942,105	0	\$3,953,530	0	\$3,751,947
Real Transfer to EBSA for Implementation of ACA	0	\$451	0	\$0	0	\$0
Offsetting Collections From:						
Fees	0	-\$114,026	0	-\$125,000	0	-\$125,000
Advance Appropriation	0	\$0	0	\$0	0	\$0
<i>Subtotal</i>	<i>0</i>	<i>-\$113,575</i>	<i>0</i>	<i>-\$125,000</i>	<i>0</i>	<i>-\$125,000</i>
C. Budget Authority Before Committee	0	\$3,828,530	0	\$3,828,530	0	\$3,626,947
Real Transfer to EBSA for Implementation of ACA	0	-\$451	0	\$0	0	
Offsetting Collections From:						
Prior Year Balance	0	\$0	0	\$0	0	\$0
Fees	0	\$114,026	0	\$125,000	0	\$125,000
Advance Appropriation	0	\$0	0	\$0	0	\$0
<i>Subtotal</i>	<i>0</i>	<i>\$113,575</i>	<i>0</i>	<i>\$125,000</i>	<i>0</i>	<i>\$125,000</i>
D. Total Budgetary Resources	0	\$3,942,105	0	\$3,953,530	0	\$3,751,947
Unobligated Balances End of Year						
E. Total, Estimated Obligations	0	\$3,942,105	0	\$3,953,530	0	\$3,751,947

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2011 Full Year C.R.	FY 2012 Request	Net Change
Budget Authority			
General Funds	\$3,828,530	\$3,626,947	-\$201,583
Trust Funds	\$0	\$0	\$0
Total	\$3,828,530	\$3,626,947	-\$201,583

Full Time Equivalents

General Funds	0	0	0
Trust Funds	0	0	0
Total	0	0	0

Explanation of Change	FY 2011 Base		Trust Funds		FY 2012 Change		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	0	\$0	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$27,908	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$3,800,622	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	0	+\$3,828,530	0	\$0	0	\$0	0	\$0
B. Programs:								
Workforce Innovation Fund	0	\$0	0	\$0	0	\$236,723	0	\$236,723
Green Jobs increase	0	\$40,000	0	\$0	0	\$20,000	0	\$20,000
Youthbuild increase	0	\$102,500	0	\$0	0	\$12,500	0	\$12,500
Migrant increase	0	\$84,620	0	\$0	0	\$2,000	0	\$2,000
Evaluation Increase	0	\$9,600	0	\$0	0	\$2,000	0	\$2,000
INAP increase	0	\$52,758	0	\$0	0	\$1,400	0	\$1,400
WDQI increase	0	\$12,500	0	\$0	0	\$1,250	0	\$1,250
Programs Subtotal	0	\$0	0	\$0	0	+\$275,873	0	+\$275,873
Total Increase	0	+\$3,828,530	0	\$0	0	+\$275,873	0	+\$275,873
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								

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Explanation of Change	FY 2011 Base		Trust Funds		FY 2012 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Governor's Reserve/Formula Grant decrease	0	\$2,969,449	0	\$0	0	-\$247,129	0	-\$247,129
Career Pathways Innovation Fund Decrease	0	\$125,000	0	\$0	0	-\$125,000	0	-\$125,000
PD&R Decrease	0	\$93,450	0	\$0	0	-\$86,834	0	-\$86,834
REXO decrease	0	\$108,493	0	\$0	0	-\$18,493	0	-\$18,493
Programs Subtotal			0	\$0	0	-\$477,456	0	-\$477,456
Total Decrease	0	\$0	0	\$0	0	-\$477,456	0	-\$477,456
Total Change	0	+\$3,828,530	0	\$0	0	-\$201,583	0	-\$201,583

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY						
(Dollars in Thousands)						
	FY 2010 Enacted		FY 2011 Full Year C.R.		FY 2012 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
Adult Employment and Training Activities	0	861,540	0	861,540	0	860,527
General Funds	0	861,540	0	861,540	0	860,527
Formula Grants	0	861,540	0	861,540	0	791,685
General Funds	0	861,540	0	861,540	0	791,685
Workforce Innovation Fund	0	0	0	0	0	68,842
General Funds	0	0	0	0	0	68,842
Dislocated Workers Employment and Training Activities	0	1,413,000	0	1,413,000	0	1,403,763
General Funds	0	1,413,000	0	1,413,000	0	1,403,763
Formula Grants	0	1,183,840	0	1,183,840	0	1,080,635
General Funds	0	1,183,840	0	1,183,840	0	1,080,635
Workforce Innovation Fund	0	0	0	0	0	93,968
General Funds	0	0	0	0	0	93,968
National Reserve	0	229,160	0	229,160	0	229,160
General Funds	0	229,160	0	229,160	0	229,160
Youth Activities	0	924,069	0	924,069	0	923,913
General Funds	0	924,069	0	924,069	0	923,913
Youth Employment and Training Activities	0	924,069	0	924,069	0	850,000
General Funds	0	924,069	0	924,069	0	850,000
Youth Innovation Fund	0	0	0	0	0	73,913
General Funds	0	0	0	0	0	73,913
Green Jobs Innovation Fund	0	40,000	0	40,000	0	60,000
General Funds	0	40,000	0	40,000	0	60,000
Workforce Data Quality Initiative	0	12,500	0	12,500	0	13,750
General Funds	0	12,500	0	12,500	0	13,750

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Reintegration of Ex-Offenders	0	108,493	0	108,493	0	90,000
General Funds	0	108,493	0	108,493	0	90,000
Career Pathways Innovation Fund	0	125,000	0	125,000	0	0
General Funds	0	125,000	0	125,000	0	0
Pilots, Demonstrations and Research	0	93,450	0	93,450	0	6,616
General Funds	0	93,450	0	93,450	0	6,616
Evaluation	0	9,600	0	9,600	0	11,600
General Funds	0	9,600	0	9,600	0	11,600
Women in Apprenticeship	0	1,000	0	1,000	0	1,000
General Funds	0	1,000	0	1,000	0	1,000
Indian and Native American Programs	0	52,758	0	52,758	0	54,158
General Funds	0	52,758	0	52,758	0	54,158
Migrant and Seasonal Farmworkers	0	84,620	0	84,620	0	86,620
General Funds	0	84,620	0	84,620	0	86,620
Youthbuild	0	102,500	0	102,500	0	115,000
General Funds	0	102,500	0	102,500	0	115,000
Job Training for Employment in High Growth Industries	0	0	0	0	0	0
Total	0	3,828,530	0	3,828,530	0	3,626,947
General Funds	0	3,828,530	0	3,828,530	0	3,626,947

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BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
25.1	Advisory and assistance services	34,046	27,908	17,408	-10,500
39.0	Depreciation Expense - Funded - WCF Use Only	0	0	0	0
41.0	Grants, subsidies, and contributions	3,794,484	3,800,622	3,609,539	-434,168
	Total	3,828,530	3,828,530	3,626,947	-201,583

TRAINING AND EMPLOYMENT SERVICES

PERFORMANCE STRUCTURE

Strategic and Outcome Goals Supporting Secretary Solis' Vision of <i>Good Jobs for Everyone</i>	Supporting Budget Activities
Strategic Goal 1 – Prepare Workers for Good Jobs and Ensure Fair Compensation	
1.1 Increase workers' incomes and narrow wage and income inequality.	<ul style="list-style-type: none"> • Adult Employment & Training Activities • Dislocated Workers Employment & Training Activity • National Emergency Grants • Migrant & Seasonal Farmworkers • Green Jobs Innovation Fund • Indian & Native American Programs • Training for Employment in High Growth Industries • Career Pathways • Youth • YouthBuild • Women in Apprenticeship • WIA Technical Assistance
1.2 Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like “green” jobs.	<ul style="list-style-type: none"> • Green Jobs Innovation Fund • Training for Employment in High Growth Industries • Career Pathways • Youth • YouthBuild • Pilots, Demonstrations & Research
1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	<ul style="list-style-type: none"> • Adult Employment & Training Activities • Dislocated Workers Employment & Training Activity • National Emergency Grants • Migrant & Seasonal Farmworkers • Green Jobs Innovation Fund • Indian & Native American Programs • Training for Employment in High Growth Industries • Career Pathways • WIA Technical Assistance

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<p>1.4 Help middle-class families remain in the middle class.</p>	<ul style="list-style-type: none"> • Adult Employment & Training Activities • Dislocated Workers Employment & Training Activity • National Emergency Grants • Migrant & Seasonal Farmworkers • Green Jobs Innovation Fund • Indian & Native American Programs • Training for Employment in High Growth Industries • Career Pathways • WIA Technical Assistance
<p>1.5 Secure wages and overtime.</p>	
<p>1.6 Foster fair working conditions in the global economy that protect vulnerable people and provide workers with a fair share of productivity and voice in their work lives.</p>	
<p>Strategic Goal 2 – Ensure Workplaces Are Safe and Healthy</p>	
<p>2.1 Secure safe and healthy workplaces, particularly in high-risk industries.</p>	
<p>Strategic Goal 3 – Assure Fair and High Quality Work-Life Environments</p>	
<p>3.1 Break down barriers to fair and diverse work places so that every worker’s contribution is respected.</p>	
<p>3.2 Providing flexibility for family and personal care-giving.</p>	
<p>3.3 Ensure worker voice in the workplace.</p>	
<p>Strategic Goal 4 – Secure Health Benefits and, for Those Not Working, Provide Income Security</p>	
<p>4.1 Facilitate 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.</p>	
<p>4.2 Ensure income support when work is impossible or unavailable.</p>	
<p>4.3 Improve health benefits and retirement security for all workers.</p>	
<p>Strategic Goal 5 – Assure the Production of Timely and Accurate Data on Social and Economic Conditions of Workers and their Families</p>	
<p>5.1 Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans.</p>	

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APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2001....1/	\$3,643,062	\$2,552,495	\$2,990,141	\$3,206,953	0
2000 Advance for 2001....	2,463,000	2,463,000	2,463,000	2,463,000	
2002....2/	5,128,521	3,485,147	3,070,281	3,199,314	0
2001 Advance for 2002....	0	2,098,000	2,463,000	2,463,000	
2003....3/	2,573,228	2,674,513	3,170,364	2,726,789	0
2002 Advance for 2003....3/	2,463,000	2,463,000	2,463,000	2,446,991	
2004....4	2,488,986	2,614,039	2,677,588	2,682,465	0
2003 Advance for 2004....4/	2,463,000	2,463,000	2,463,000	2,448,468	
2005.....5/6/7/8	2,863,292	2,649,728	2,914,662	2,879,183	0
2004 Advance for 2005....5/	2,463,000	2,463,000	2,463,000	2,344,296	
2006....8/	3,404,949	2,658,792	2,787,806	2,625,888	0
2005 Advance for 2006..8/	2,438,000	2,463,000	2,463,000	2,439,620	
2007	1,949,405	2,504,209	996,832	2,791,341	0
2006 Advance for 2007....	2,463,000	2,463,000	2,463,000	2,438,000	
2008....10/11/	2,776,972	1,758,530	1,815,138	1,804,268	0
2007 Advance for 2008....	2,463,000	1,772,000	1,772,000	1,741,043	
2009....12/	1,338,600	0	1,854,448	1,854,448	0
2008 Advance for 2009...12/	1,772,000	0	1,772,000	1,772,000	
2010	2,061,563	0	0	2,056,530	0
2009 Advance for 2010....	1,772,000	0	0	1,772,000	
2011....13/	2,153,475	0	0	0	0
2010 Advance for 2011....	1,772,000	0	0	1,772,000	
2012	1,854,947	0	0	0	0
2011 Advance for 2012....	1,772,000	0	0	0	

1/ Includes a reduction of \$852,000 pursuant to P.L. 106-554, enacted 12/21/00.

2/ Includes a reduction of \$448,000 pursuant to P.L. 107-116, enacted 1/10/02, and an increase of \$32,500,000 pursuant to P.L. 107-38 enacted 1/10/02 (Department of Defense and Emergency Supplemental Appropriations for Recovery from and Response to Terrorists Attacks on the United States Act, 2002). Additionally, includes a reduction of \$20,000 pursuant to P.L. 107-206, enacted 8/2/2002.

3/ Reflects a 0.65% across-the-board reduction pursuant to P.L. 108-7.

4/ Reflects a 0.59% across-the-board rescission pursuant to P.L. 108-199.

5/ Reflects a 0.80% across-the-board rescission pursuant to P.L. 108-447

6/ Reflects a portion of \$18,000,000 rescission to Labor/HHS/Educ pursuant to P.L. 108-447 and a transfer of \$4,410,413 from SUIESO.

7/ Excludes \$795,280 appropriated pursuant to DOD Appropriations Act P.L. 108-287 (Earmark)

8/ Reflects a 1.0% government-wide rescission pursuant to P.L. 109-148.

9/ Reflects a \$25,000,000 decrease in Job Corps Construction, Rehabilitation, and Acquisition

10/ Includes 1.747% Rescission.

11/ Excludes Job Corps beginning FY 2008

12/ This bill was only reported out of Subcommittee and was not passed by the Full House.

13/ NOTE: A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Diff. FY 12 Req. / FY 10 Enacted
Budget Authority	861,540	861,540	860,527	-1,013

Introduction

The Workforce Investment Act Adult formula program prepares workers – particularly disadvantaged, low-skilled, and underemployed adults – for good jobs in three ways; it:

- Increases workers' incomes by helping unemployed and underemployed workers obtain employment in industries and occupations that offer good wages and opportunities for advancement.
- Aids workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs by helping them match their current skills to better jobs or helping them improve their skills through training so they can compete for better jobs.
- Assists middle-class families to remain in the middle class by helping workers develop the skills they need to succeed on the job and stay employed.

Disadvantaged and low-skilled adults have been disproportionately affected by the recent economic downturn as evidenced by high rates of unemployment among those groups. Recent data from the Bureau of Labor Statistics (July 2010) show a 14.1 percent unemployment rate for workers without a high school diploma or equivalent credential and 10.8 percent for high school graduates with no college; each of these rates are well above the 9.7 percent national average (July 2010). The immediate employment and training needs of low-skilled adults must be addressed to prevent this disadvantaged population from slipping further out of the middle-class.

As the economy recovers, low-skilled adults are at risk of being left behind. The economic downturn may have lingering effects on both low-skilled adults and employers. Industries such as basic manufacturing that previously employed a large number of low-skilled adults will no longer be the drivers of the economy, replaced instead by job growth concentrated in occupations that require some postsecondary education or training (Carnevale, Smith, and Strohl, 2010). Data from the Bureau of Labor Statistics indicate that 40 percent of individuals over 25 have a high school diploma or less (Bureau of Labor Statistics, 2010) rendering them ineligible for the vast majority of jobs projected in the new economy. If current graduation and credential attainment rates continue, employers will experience significant shortages in skilled workers, constraining economic growth and increasing the risk that the jobs will be permanently lost.

The WIA Adult program helps prepare low-skill adult workers for good jobs through formula grants to states. States use the funds to provide a statutorily prescribed set of employment and training services at the state and local level. Services are primarily delivered through a network of One-Stop Career Centers, of which there are nearly 3,000 across the United States.

WIA provides employment and training services at three broad levels: core, intensive and training. The program is designed to provide customers with the level of service that most

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efficiently meets their needs and helps them get a good job. Core services such as job search and placement assistance and real-time labor market information help workers who have marketable skills and work experience, and primarily need information to help them target their job search. Intensive services such as comprehensive skills assessments, career counseling and career planning help workers who need assistance identifying their skills and developing career goals and job search strategies. Training services help workers who need to upgrade their skills to be competitive in the job market. Training services include options such as on-the-job training, skill upgrading and retraining, entrepreneurial training, customized training, occupational training, and training in basic skills. With only 10.2 percent of WIA Adult customers reporting that they have a college degree (USDOL, 2008), WIA training services are of critical importance given the current and projected barriers to employment faced by low skilled adults. As the Secretary of Labor (2010) succinctly wrote, “training is key.” Finally, for customers who have other barriers to employment, such as dependent care responsibilities, homelessness, and/or lack of transportation, WIA can provide supportive services such as transportation, childcare, dependent care, housing, and needs-related payments.

The public workforce system delivers services to adults based on principles that have produced, over time, consistent and high rates of employment and retention, and higher average earnings for participants. These principles recognize a dual customer approach, with services to workers and employers alike: that training should lead to industry-recognized credentials in emerging occupational sectors and industries, and that well-developed labor market information should be a cornerstone of program planning and design.

A growing body of evidence points to the effectiveness of employment and training services in helping adults in gaining employment, improving earnings, and retaining their jobs. A 2008 evaluation of Workforce Investment Act-funded programs found that participating in the WIA Adult program, regardless of services received, is associated with a several-hundred dollar increase in quarterly earnings (Heinrich, Mueser, and Troske, 2008). This evaluation occurred in 2002 during a period of worker shortages, when employment and training services were not as critical to ensure employment; if this evaluation were to be performed in the current economic climate, the effects of training on low-skilled workers might be even more profound given that credentials are even more critical to gaining and retaining employment. WIA data also indicate that 70 percent of adults who participated in training services became employed within three months of exiting the program compared to 54 percent of all other program participants (PY 2009, WIASRD).

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Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$864,199	0
2008	\$849,101	0
2009	\$861,540	0
2010	\$861,540	0
2011	\$0	0

NOTE: A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

WIA funding allotments for states are based on formula provisions defined in WIA. Under Title I of the WIA, formula funds are provided to states and outlying areas for the operation of both Adult and Dislocated Worker employment and training activities, in accordance with 29 USC 2861. States distribute resources by formula to local workforce investment areas. The WIA allotments for outlying areas are based on a formula as authorized under WIA Title I.

The Workforce Innovation Fund grants will be awarded competitively through Solicitations for Grant Applications (SGAs) for the demonstration of new ideas and for the replication of proven practices.

FY 2012

To address the acute unemployment levels of low-skilled adults anticipated in FY 2012, the Department requests funds to fully operate the WIA Adult program in all fifty states and five territories. These funds serve over six million adults with core, intensive and/or training services. The Department has set an entered employment rate target of 53.70 percent, an employment retention rate target of 73.70 percent, and an average earnings target of \$13,178. In order to meet these targets, the Department will promote and/or implement a number of strategies, including:

- **Increase the rate of industry-recognized credential attainment among customers who receive training.** Research shows that training resulting in a meaningful credential increases employment rates and allows individuals to maintain or improve their incomes (Strawn, 2010).
- **Tailor training strategies to the unique needs of low-skilled adults.** Research shows that low-skilled adults experience better education and employment outcomes in training programs that provide integrated education and occupational skills education; an accelerated and contextualized format; and are delivered through partnerships that include the workforce system, educational institutions, community-based organizations and employers (Jenkins, Zeidenberg and Kienzl, 2009; Maguire, Freely, Clymer, and Conway, 2009). While these models go by various names – bridge programs, sector strategies, career pathway models – all are designed around the specific skills demands of local employers (often with their direct participation) and the remedial educational needs of the local population (ESL, numeracy,

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basic literacy, technology, etc). Successful programs make extensive use of wrap-around services, including subsidies for transportation, childcare, income supports and other needs-related payments.

- **Increase training in green jobs, health care and other high growth occupations.** In order to ensure that workers are competitive in the changing economy, the Department will provide technical assistance to support training in sectors of projected growth.
- **Develop partnerships between the public workforce system and education, economic development and community-based organizations.** This strategy will allow states and local service providers to align policies that meet the needs of low-income workers with wide-ranging supportive services.
- **Prompt States and localities to come forward with promising ideas and make sure the job training system continues to evolve.** Through the Workforce Innovation Fund, the Department will test new ideas and replicate proven, cost-effective strategies for delivering better employment and training results. Through competitive grants to States, consortia of States, and regional workforce and education partnerships, the Department will invest in projects that:
 - o Engage employers more deeply in the workforce system to ensure that participants get relevant training and have strong employment outcomes
 - o Work across program silos to provide comprehensive services
 - o Improve and incentivize services to those with the greatest barriers to employment
 - o Promote more cost-effective service delivery, better measurement of cost per outcome, and cost/benefit analysis
 - o Support regional and sectoral collaboration
 - o Encourage use of data and rigorous evaluation to assess outcomes, inform continuous improvement, and provide meaningful information on workforce system and training provider performance.

In order to deploy these strategies and achieve the outcome goals, the budget requests \$860,527,000 for WIA Adult activities in FY 2012, \$1,013,000 less than the FY 2010 enacted level. Eight percent, \$68,842,000 of the WIA Adult funds will be contributed to the Workforce Innovation Fund as described in the overview section of the budget. The remaining \$791,685,000 will fund regular WIA Adult core, intensive, and training services in all fifty states and the territories. This represents a \$69,855,000 decrease over the FY 2010 funding level for the WIA Adult formula program. At the FY 2012 funding level, 6,043,397 individuals will receive services through formula-funded programs, based on an average cost of \$131 per participant.

The decrease in the WIA regular adult program reflects a 50 percent decrease of the Governor's Reserve for statewide employment and training activities (WIA Sec. 128(a)). The appropriations language reduces the Governor's Reserve level to ensure that local workforce areas do not have reduced allotments. This decrease will impact some states that use these funds for innovative statewide activities. However, the investment in the Workforce Innovation Fund – as described in the overview – will offset the loss of such funds by providing for targeted demonstration

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projects across the country. In addition, Governor's Reserve funds are traditionally expended at a much slower rate than WIA Adult funds, with large amounts of funds carried into future program years. For example, over \$118 million of unexpended Adult Governor's Reserve funds were carried into PY2010, representing 53 percent of the total available statewide reserve funds for PY 2009 from the Adult program. This is compared to 23 percent of available local WIA Adult funds carried into PY 2010. Funding for local activities would be maintained as a result of this provision.

FY 2011

Figures shown for FY 2011 reflect the annualized Continuing Resolution level as a full-year appropriation has not been enacted at the time the budget was produced. Since this level is based on the FY 2010 enacted level, operations under a full-year Continuing Resolution would be consistent with those described in the FY 2010 section.

FY 2010

The FY 2010 enacted level for the WIA Adult program was \$861,540,000, the same as the FY 2009 enacted level. DOL expanded its efforts to promote and support innovative employment and training strategies for adult populations, including low-income and low-skill workers, long-term unemployed, public assistance recipients, transitioning veterans, older workers and other targeted populations. States and local areas were encouraged to invest their FY2010 WIA Adult formula funds in evidence-based strategies that have demonstrated promising results for improving employment and earnings of public workforce participants, including expanded use of labor market information and skill assessment tools, support services to increase training program completion and credential attainment, contextualized and accelerated training models, and on-the-job training.

DOL provided policy guidance and technical assistance to states and local boards to assist them in fully aligning job training programs with adult basic and postsecondary education, Registered Apprenticeship, and the skill needs of employers. The Department created a joint workgroup with the Department of Education to identify strategies for improving the capacity of the workforce system to serve the expanding number of low-skill and low-income American workers who require post-secondary credentials to reenter the workforce in good jobs that pay a livable wage. The Adult Learning Strategies Workgroup convened three meetings of leading practitioners and subject matter experts across the country and identified best practices in adult education and training. The findings from the meetings are being incorporated into policy guidance and on-going technical assistance to the public workforce and education systems.

In 2010, DOL undertook a variety of activities to increase the capacity of One-Stop Career Centers in their work with employers and diverse adult job seekers. In response to the historic numbers of unemployed adults, and based on extensive evidence of their effectiveness, the Department worked with states and local areas to expand on-the-job-training opportunities. The Department developed and disseminated an on-line toolkit to help One-Stop managers and staff streamline and simplify the process of creating OJT opportunities. DOL also strengthened its

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battery of on-line tools designed to help job seekers and career counselors assess skill gaps, training needs, and employment opportunities.

DETAILED WORKLOAD AND PERFORMANCE				
	PY 2009	PY 2010	PY 2011	PY 2012
	Result	Target	Target	Target
Adult Employment and Training Activities				
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.1 - Increase workers' incomes and narrow wage and income inequality.	--	--	--	--
Average Earnings	\$13,712.00	\$12,721.00	\$12,865.00	\$13,178.00
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.3 - Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	--	--	--	--
Entered Employment	54.00%	52.90%	53.10%	53.70%
Participants Served in Employment and Training Activities	6,950,148	5,171,158	6,950,148	6,043,397
Cost Per Participant Served in Employment and Training Activities	\$124.00	\$167.00	\$124.00	\$131.00
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Strategic Goal 1.4 - Help middle class families remain in the middle class.	--	--	--	--
Employment Retention	77.70%	73.00%	73.10%	73.70%

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

Workload and Performance Narrative

DOL measures performance in the WIA Adult program based on three interrelated outcomes: entered employment (53.70%), employment retention (73.70%), and average earnings (\$13,178). The training and employment services delivered through the WIA Adult program are designed to address all three outcomes. States and local areas target their service delivery strategies to the specific needs of their employer and worker populations, and DOL provides policy and programmatic guidance to help states and local areas identify strategies that are beneficial in improving successful employment outcomes in the current economy. In the FY2012 section, the Department outlines a number of specific strategies to achieve its performance targets for the WIA Adult program in the current economic environment, when the supply of workers drastically exceeds the number of available jobs.

The FY 2010-2012 targets for entered employment, employment retention and average earnings are based on a methodology developed by DOL for setting national performance targets using regression analysis. The methodology utilizes a regression model to estimate the magnitudes of the responses of employment and training program outcomes to the effects of the business cycle and labor market conditions. The adjusted targets are produced using program results from the

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prior year, the responses of the various program outcomes with respect to the condition of the labor market and OMB's projections of the unemployment rate matched to the timeframe pertinent to the particular program outcome being considered. The methodology results in performance targets that reflect the expected impact of the economic environment on program performance. Targets for the average earnings measure have been adjusted to correct for inflation using OMB assumptions regarding the consumer price index. The data used to create the targets come from the Workforce Investment Act Standardized Record Data (WIASRD), OMB and the Bureau of Labor Statistics (BLS) and are updated on an annual basis.

In addition to outcomes, the Department also measures workload in terms of *the number of participants served* by the program. In FY 2012, the program projects 6,043,397 participants served at an average cost of \$131 per participant. The cost per participant is based on the actual cost per participant achieved in PY 2009, adjusted for inflation. The projected number of participants for FY 2012 is derived by dividing the FY 2012 funding level by the FY 2012 projected average cost per participant. Compared to FY 2010, the formula program will be reduced by \$69,855; thus, as many as 906,751 fewer adults may be served via the formula grant. However, because the reduction is being taken from the Governor's Reserve funds, the Department anticipates that service levels will be closer to FY 2011 target levels. While the reduction in formula funding will reduce the total number of people served, the reduction is not large enough to impact strategies at a level sufficient to impact the performance goals. In addition, while it is premature to estimate how many participants would be served under the Workforce Innovation Fund (because it will depend in large part on what proposals States and regions come forward with), a key goal of the Fund will be to find better ways of delivering services more cost effectively, which may mean that resources redirected to the WIF would serve more people than they would have under the formula.

DOL will monitor grantee performance regularly through Federal Project Officers in our regional offices to ensure grantees are on target to meet performance goals. Such monitoring informs the design and delivery of technical assistance to improve performance. As part of program monitoring, DOL looks at the following system outputs:

- amount of funds spent,
- number of people served by the program,
- number of people that received training,
- number of people that received intensive services, and
- number of people in training that received a credential.

These outputs help in understanding whether states are implementing strategies that will help them meet their outcome goals. In addition, DOL conducts evaluations of WIA formula programs to evaluate the specific strategies promoted to support goal achievement. The results of such evaluation and research are used to revise and update strategies regularly. In FY 2012, the WIA Gold Standard Evaluation (WGSE) will continue. The WGSE is a rigorous random assignment evaluation of the formula programs established under Title I of WIA. The evaluation is examining the Adult and Dislocated Worker programs' impacts on participants' post-program employment and earnings and their cost effectiveness. The evaluation is comparing the outcomes of WIA participants to the outcomes of similar individuals who do not receive WIA

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services. The evaluation will provide critical intelligence on the impact and cost effectiveness of intensive and training services for participants in the WIA program. The first impact findings from the WIA Gold Standard Evaluation are expected to be available in 2014.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	861,540	861,540	860,527	-1,013
	Total	861,540	861,540	860,527	-1,013

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CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
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Advisory and assistance services	0
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Grants, subsidies, and contributions	0
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Built-Ins Subtotal	\$0
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Net Program	-\$1,013
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Direct FTE	0
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	Estimate	FTE
Base	\$861,540	0
Program Decrease	-\$69,855	0
Program Increase	\$68,842	0

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Diff. FY 12 Req. / FY 10 Enacted
Budget Authority	1,413,000	1,413,000	1,403,763	-9,237

Introduction

The Workforce Investment Act (WIA) Dislocated Worker program serves workers who have lost their jobs as a result of layoffs by preparing them for good jobs in several ways:

- Increasing workers' incomes by helping eligible dislocated workers access the training they need to obtain employment in new and emerging industry sectors;
- Helping low-income unemployed workers find a path into middle-class jobs through the provision of supportive services and needs-related payments that make it possible for them to enter into and remain in training and continuing education; and
- Helping dislocated workers remain in the middle class through the utilization of innovative strategies implemented through the Workforce Innovation Fund that accelerates their reemployment.

Even as the economy recovers and job growth returns, the reintegration of millions of dislocated workers into jobs that pay family sustaining wages is essential for spreading the benefits of the recovery more broadly. The prolonged high unemployment has transformed the labor market and created significant barriers to reemployment for many people. Recent labor market projections only reinforce the need for a robust system of employment and training services to keep America competitive. On the one hand, projections of continued labor market weakness through 2012 mean that millions of Americans remain at risk for job loss and skills deterioration. On the other hand, the job growth that is projected over the next decade is concentrated in occupations that require some postsecondary education or training, even as the cost of postsecondary education is rising and graduation rates are falling. A recent study by Georgetown University's Center on the Workforce and the Economy indicates that if current trends in postsecondary education continue, U.S. employers will face significant skills shortages by mid-decade, threatening their ability to compete in today's global economy (see Carnevale, Smith, and Strohl, 2010).

The reemployment and retraining challenges facing dislocated workers in today's economy are particularly acute. Given the severity of the downturn, a higher percentage of dislocated workers will need to either change industries and/or acquire new skills than in previous recessions. However, many of these same workers face multiple obstacles to upgrading their skills including financial constraints, family responsibilities that prohibit them from completing long-term training programs, a need for remedial education, and a reluctance to return to school after many years in the labor market (Borie-Holtz, Van Horn and Zukin, 2010). These workers will need significant support in the form of job search assistance, career counseling, remediation, and subsidized training to re-enter the labor market.

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A growing body of evidence points to the effectiveness of employment and training services for helping dislocated workers gain new skills and find new jobs. A 2008 evaluation of Department of Labor (DOL) job training programs for dislocated workers found a statistically significant impact on employment and earnings, even though the period of study was marked by very low unemployment (Heinrich, Mueser, and Troske, 2008). A study of displaced workers in Washington State similarly indicated that attending a community college after displacement increased long-term earnings by about 9 percent for men and about 13 percent for women (Jacobson, LaLonde, and Sullivan, 2005). More recently, in Program Year (PY) 2009, data collected by the Agency indicates that nearly 76 percent of the dislocated workers who received training services became reemployed (PY 2009 WIASRD). New approaches to job training that actively engage employers in program design have also demonstrated positive results (Maguire, Freely, Clymer, and Conway, 2009) while a renewed emphasis on more traditional approaches to job training, including on-the-job training (OJT) and Registered Apprenticeship, have yielded strong results. According to DOL data, OJT services have entered employment and retention rates of 90 and 88 percent, respectively (PY 2009 WIASRD).

The Dislocated Worker Assistance Program under Title I of the WIA of 1998 is well-positioned to help meet the complementary needs of displaced workers and employers. The program offers employment and training services to individuals who have lost their jobs, including those dislocated as a result of plant closings or mass layoffs, and who are unlikely to return to employment in their previous industries; formerly self-employed individuals; and displaced homemakers who have been dependent on the income of another family member but are no longer supported by that income.

The public workforce system delivers services to dislocated and other unemployed workers based on principles that have produced, over time, consistently high rates of reemployment and retention and higher average earnings for participants. These principles recognize a dual customer approach with services to workers and employers alike: that training should lead to credentials in emerging occupational sectors and industries and that well-developed labor market information should be a cornerstone of program planning and design.

WIA offers a variety of service options to dislocated workers, ranging from basic “core” services, such as job search and placement assistance and real-time labor market information, to more “intensive” services, such as comprehensive skills assessments, career counseling and career planning. For dislocated workers needing new or upgraded skills, training services are available. These services include, but are not limited to, occupational skills training, OJT, programs that combine workplace training and related instruction, including Registered Apprenticeship, skill upgrading and retraining, adult education and literacy training, and customized training. In addition, dislocated workers may receive supportive services, such as transportation, child care, and needs-related payments to assist them in entering into and remaining in training.

National Emergency Grants (NEGs) also are available to temporarily increase the capacity of state and local governments, as well as grantees under the Indian and Native American Program, to provide these dislocated worker services to respond to large layoff events affecting at least 50

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workers. The funding is provided as discrete grants to meet the increased demand for employment and training services. NEG's also provide funding for disaster relief employment for affected workers in areas declared a disaster, as defined by the Stafford Disaster Relief and Emergency Assistance Act, administered by the Federal Emergency Management Agency (FEMA). NEG's provided reemployment and retraining services through 152 grants issued during FY 2010.

The effectiveness of the services offered to dislocated workers is reflected in the outcome data. In PY 2009, the program provided services to 1,158,537 dislocated workers, an increase of 72 percent from the previous program year and a sign of the tremendous demand for services. During a period of skyrocketing unemployment and massive layoffs, 50 percent of those receiving core services found jobs within one quarter of receiving services while nearly 76 percent of those receiving training services were reemployed within the same time frame (PY 2009 WIASRD).

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$1,348,153	0
2008	\$1,323,373	0
2009	\$1,341,891	0
2010	\$1,413,000	0
2011	\$0	0

NOTE: A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

WIA funding allotments for states and outlying areas are based on formula provisions defined in the WIA. Under Title I of WIA, formula funds are provided to states and outlying areas for the operation of both Adult and Dislocated Worker employment and training activities, in accordance with 29 USC 2861. States distribute resources by formula to local workforce investment areas.

A portion of Dislocated Worker program funds are held in the National Reserve. The National Reserve funds NEG's, demonstrations, technical assistance and training activities, and Dislocated Worker programs in the United States' outlying areas.

The Workforce Innovation Fund grants will be awarded competitively through Solicitations for Grant Applications (SGAs) for the demonstration of new ideas and for the replication of proven practices.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

FY 2012

To address the continued high demand for dislocated worker services and in support of the Department's goal of helping individuals find reemployment in good jobs that provide family sustaining wages, in FY 2012 the WIA Dislocated Worker formula grant program estimates it will serve 1,030,157 dislocated workers with an Entered Employment Rate of 50.6 percent, Employment Retention of 78.3 percent, and Average Earnings of \$15,840. The NEG program projects an Entered Employment Rate of 62.0 percent and an Employment Retention Rate of 77.5 percent. To accomplish these goals, DOL will provide states with guidance and technical assistance so that funds are used to provide high quality, data-driven job search assistance, career counseling and training services to equip dislocated workers with in-demand skills and facilitate their reemployment.

Specifically, DOL's strategies to achieve its goals of transitioning unemployed individuals to reemployment in jobs that offer promising career pathways include: 1) improving the use of labor market information, skills assessment tools, and social media technologies to enhance the quality of job search assistance and career counseling services offered to dislocated workers; 2) providing high quality training for in-demand jobs in emerging, high growth industries including green jobs, health care and advanced manufacturing; 3) offering on-the-job training (OJT) as both a reemployment and training strategy for dislocated workers; 4) providing more flexible training options that meet the needs of adult learners and workers in transition, including greater access to integrated education and training models, on-line training, and Registered Apprenticeship; and 5) leveraging a wider array of supportive services available to dislocated workers to support training completion (such as Pell Grants, Temporary Assistance for Needy Families, Supplemental Nutrition Assistance, and co-enrollment in WIA Title II.)

DOL will emphasize the use of these same strategies in the NEGs it awards to provide dislocated workers retraining and reemployment services that will assist them in finding middle-class jobs as quickly as possible. While some dislocated workers may only require job search assistance, others benefit from training to help them move into other occupations. Some also benefit from supportive services to ensure they can quickly enter, continue, and complete training. These services are used to help workers adapt to changing labor needs, as jobs continue to move from traditional manufacturing and service industries to growing areas in health care, technology, and green jobs. A focus on customizing services to the needs of a particular worker population, such as workers with occupational or English language skills gaps, will contribute to helping DOL achieve its goals of preparing workers for good jobs and ensuring they remain in the middle class.

Finally, to prompt States and localities to come forward with promising ideas and make sure the job training system continues to evolve, the Department will contribute a portion of WIA Dislocated Worker funds to the Workforce Innovation Fund. Through this Fund, the Department will test new ideas and replicate proven, cost-effective strategies for delivering better employment and training results. Through competitive grants the Department will invest in projects that:

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- Engage employers more deeply in the workforce system to ensure that participants get relevant training and have strong employment outcomes
- Work across program silos to provide comprehensive services
- Improve and incentivize services to those with the greatest barriers to employment
- Promote more cost-effective service delivery, better measurement of cost per outcome, and cost/benefit analysis
- Support regional and sectoral collaboration
- Encourage use of data and rigorous evaluation to assess outcomes, inform continuous improvement, and provide meaningful information on workforce system and training provider performance.

In order to deploy these strategies and achieve the outcome goals, the budget requests \$1,403,763,000 for WIA Dislocated Worker activities in FY 2012. In order to fund core, intensive, and training services in all 50 states and the territories, using the strategies outlined above, DOL requests \$1,080,635,000 in Dislocated Worker formula funds and \$229,160,000 in the National Reserve Account, which provides for NEGs. eight percent, \$93,968,000 of the WIA Dislocated Worker funds will be contributed to the Workforce Innovation Fund as described in the overview section of the budget.

The decrease in the WIA regular Dislocated Worker program reflects a 50 percent decrease of the Governor's Reserve for statewide employment and training activities (WIA Sec. 128(a)). The appropriations language reduces the Governor Reserve level to ensure that local workforce areas do not have reduced allotments. Governor's Reserve funds are traditionally expended at a much slower rate than WIA Dislocated Worker funds, with large amounts of funds carried into future program years. For example, over \$147 million of unexpended Dislocated Worker Governor's Reserve funds (excluding State Rapid Response) were carried into PY 2010, representing 49 percent of the total available statewide reserve funds for PY 2009 from the Dislocated Worker program. This is compared to 24 percent of available local WIA Dislocated Worker funds carried into PY 2010

This decrease in the Governor's reserve will impact some states that use these funds for innovative statewide activities. However, the investment in the Workforce Innovation Fund – as described in the overview – will offset the loss of such funds by providing for targeted demonstration projects across the country.

FY 2011

Figures shown for FY 2011 reflect the annualized Continuing Resolution level as a full-year appropriation has not been enacted at the time the budget was produced. Since this level is based on the FY 2010 enacted level, operations under a full-year Continuing Resolution would be consistent with those described in the FY 2010 section.

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FY 2010

The enacted level for the WIA Dislocated Worker program in FY 2010 was \$1,413,000,000, of which \$1,183,840,000 was used for formula grants to states. Throughout the year, the number of dislocated workers seeking services at One-Stop Career Centers remained unusually high. With some reemployment strategies meeting mixed results, DOL worked with states and local areas to expand OJT opportunities for dislocated workers in two important ways. First, DOL developed and disseminated an on-line OJT toolkit to help One-Stop managers and staff streamline and simplify the process of creating OJT opportunities. Second, DOL used ARRA National Reserve funds to create additional OJT opportunities through OJT National Emergency Grants. These grants were designed to jump start training and reemployment for dislocated workers experiencing prolonged unemployment. OJT gives participants a chance to "earn and learn," which means they will acquire applicable occupational skills while earning a paycheck. Employers participating in these OJT projects receive partial reimbursement to offset the extraordinary cost of training the workers. These NEG awards were intended to revitalize and expand OJT service delivery to participants funded by the grants, and to build the capacity of the workforce investment system to engage in this important training model now and into the future. Best practices and learning from this initiative will be shared more broadly to continually refine and improve OJT administration and execution.

Dislocated workers also benefited from DOL's release of mySkills myFuture, a breakthrough on-line tool designed to help job seekers and career counselors assess skill gaps, map training needs, and identify new career opportunities. ETA continued to strongly encourage states to consider using this and other assessment and data-driven career counseling to better support dislocated workers in successful training and job search activities.

ETA received an increase of \$71,109,000 (45 percent) for the National Reserve Account, for a total of \$229,160,000, to fund NEGs in FY 2010. The additional resources are especially important to address the continuing elevated need for dislocated worker services, as the period for obligation of Recovery Act funds for NEGs ended on June 30, 2010. There are still areas that needed resources, in addition to their formula funds, to continue the recovery in those communities hardest hit by the economic downturn. While FY 2010 NEG funds did not replicate the level of assistance made available by the Recovery Act, the increase helped to sustain responses to large scale worker dislocations in targeted areas across the country.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

DETAILED WORKLOAD AND PERFORMANCE				
	PY 2009	PY 2010	PY 2011	PY 2012
	Result	Target	Target	Target
Dislocated Workers Employment and Training Activities				
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.1 – Increase workers’ incomes and narrow wage and income inequality.	--	--	--	--
Average Earnings (Formula Grants)	\$16,804.00	\$15,238.00	\$15,418.00	\$15,840.00
Average Earnings (National Emergency Grants (NEG))	\$14,118.00	\$12,803.00	\$12,953.00	\$13,308.00
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.3 – Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	--	--	--	--
Entered Employment (Formula Grants)	51.00%	49.30%	49.70%	50.60%
Entered Employment (National Emergency Grants)	62.50%	60.50%	61.00%	62.00%
Participants Served in Employment and Training Activities (Formula Grants)	1,158,537	647,106	1,158,537	1,030,157
Cost Per Participant Served in Employment and Training Activities (Formula Grants)	\$1,022.00	\$2,184.00	\$1,022.00	\$1,049.00
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.4 – Help middle class families remain in the middle class.	--	--	--	--
Employment Retention (Formula Grants)	79.70%	78.00%	78.00%	78.30%
Employment Retention (National Emergency Grants)	78.50%	76.80%	77.10%	77.50%

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

Workload and Performance Narrative

DOL measures performance in the WIA Dislocated Worker program based on three interrelated outcomes: entered employment (50.6%), employment retention (78.3%), and average earnings (\$15,840). The training and employment services delivered through the WIA Dislocated Worker program are designed to address all three outcomes. States and local areas target their service delivery strategies to the specific needs of their employer and worker populations, and DOL provides policy and programmatic guidance to help states and local areas identify strategies that are beneficial in improving successful employment outcomes in the current economy. In the FY 2012 section, DOL outlines a number of specific strategies to achieve its performance targets for the WIA Dislocated Worker program in the current economic environment, when the supply of workers exceeds the number of available jobs.

The FY 2010-2012 targets for entered employment, employment retention and average earnings are based on a methodology developed by DOL for setting national performance targets using

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

regression analysis. The methodology utilizes a regression model to estimate the magnitudes of the responses of employment and training program outcomes to the effects of the business cycle and labor market conditions. The adjusted targets are produced using program results from the prior year, the responses of the various program outcomes with respect to the condition of the labor market and OMB's projections of the unemployment rate matched to the timeframe pertinent to the particular program outcome being considered. The methodology results in performance targets that reflect the expected impact of the economic environment on program performance. Targets for the average earnings measure have been adjusted to correct for inflation using OMB assumptions regarding the consumer price index. The data used to create the targets come from the Workforce Investment Act Standardized Record Data (WIASRD), OMB and the Bureau of Labor Statistics (BLS) and are updated on an annual basis.

In addition to outcomes, DOL also measures workload in terms of *the number of participants served* by the program. In FY 2012, the program projects 1,030,157 participants served at an average cost of \$1,049. The cost per participant is based on the actual cost per participant achieved in PY 2009, adjusted for inflation. The projected number of participants for FY 2012 is derived by dividing the FY 2012 funding level by the FY 2012 projected average cost per participant. Compared to FY 2010, the formula program will be reduced by over \$102,000,000; thus, as many as 127,000 fewer dislocated workers may be served via the formula grant. However, because the reduction is being taken from the Governor's Reserve funds, the Department anticipates that service levels will be closer to FY 2011 target levels. In addition, while it is premature to estimate how many participants would be served under the Workforce Innovation Fund (because it will depend in large part on what proposals States and regions come forward with), a key goal of the Fund will be to find better ways of delivering services more cost effectively, which may mean that resources redirected to the WIF would serve more people than they would have under the formula.

DOL will monitor grantee performance regularly through Federal Project Officers in ETA regional offices to ensure grantees are on target to meet performance goals. Such monitoring informs the design and delivery of technical assistance to improve performance. As part of program monitoring, DOL looks at the following system outputs:

- amount of funds spent,
- number of people served by the program,
- number of people that received training,
- number of people that received intensive services, and
- number of people in training that received a credential.

These outputs help in understanding whether states are implementing strategies that will help them meet their outcome goals. In addition, DOL conducts evaluations of WIA formula programs to evaluate the specific strategies promoted to support goal achievement. The results of such evaluation and research are used to revise and update strategies regularly. In FY 2012, the WIA Gold Standard Evaluation (WGSE) will continue. The WGSE is a rigorous random assignment evaluation of the formula programs established under Title I of WIA. The evaluation is examining the Adult and Dislocated Worker programs' impacts on participants' post-program

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

employment and earnings and their cost effectiveness. The evaluation is comparing the outcomes of WIA participants to the outcomes of similar individuals who do not receive WIA services. The evaluation will provide critical intelligence on the impact and cost effectiveness of intensive and training services for participants in the WIA program. The first impact findings from the WIA Gold Standard Evaluation are expected to be available in 2014.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	1,413,000	1,413,000	1,403,763	-9,237
	Total	1,413,000	1,413,000	1,403,763	-9,237

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Advisory and assistance services	\$0
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Grants, subsidies, and contributions	0
--------------------------------------	---

Built-Ins Subtotal	\$0
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Net Program	-\$9,237
--------------------	-----------------

Direct FTE	0
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	Estimate	FTE
Base	\$1,413,000	0
Program Decrease	-\$103,205	0
Program Increase	\$93,968	0

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Diff. FY 12 Req. / FY 10 Enacted
Budget Authority	924,069	924,069	923,913	-156

Introduction

The Workforce Investment Act (WIA) Youth program aligns with the Secretary’s goals of preparing workers for good jobs and assuring the skills and knowledge that prepare workers to succeed in a knowledge-based economy. The WIA Youth program targets low-income youth with barriers to employment and provides them with services that prepare them for employment and post-secondary education.

America’s youth and young adults are facing three challenges today that, if unaddressed, will have long-term consequences for our nation: record youth unemployment; a high school dropout crisis; and, a shift to a knowledge and service-based economy, requiring greater levels of skills and education. According to the U.S. Department of Labor’s Bureau of Labor Statistics’ (BLS), in 2010, youth unemployment hit its highest July rate since records began in 1948. BLS also reported that July 2010, the traditional summertime peak for youth employment, set a record low employment rate. In July 2010, the rate of unemployment for teens 16 to 19 years old had increased to 26.1 percent from 24.5 percent a year earlier. The data also showed that the employment rate had dropped dramatically for teens from 28.6 percent in July 2009 to 25.6 percent in July 2010. In addition, the labor force participation rate dropped from 37.9 percent to 34.6 percent during that same time period.

The nation faces increased challenges in economic competitiveness in this 21st Century global economy as the dropout crisis worsens. According to the Urban Institute, high school graduation rates are low for all students, with only an estimated 68 percent of those who enter 9th grade graduating with a regular diploma in 12th grade. High school graduation rates are substantially lower for most minority groups, and particularly for males. The Center for Labor Market Studies at Northeastern University suggests that these young dropouts experience a wide array of labor market, earnings, social and income problems that exacerbate their ability to transition to careers from their mid-20s onward (Sum. A. et al. 2009. “The Consequences of Dropping Out of High School: Joblessness and Jailing for High School Dropouts and the High Cost for Taxpayers.” Center for Labor Market Studies, Northeastern University.).

While too many youth are not completing high school, jobs paying family-sustaining wages increasingly require a post-secondary degree. In its 2009 Employment Projections, BLS reported that occupations that require a post-secondary degree are expected to account for nearly half of all new jobs from 2008 to 2018. In addition, projected employment growth is concentrated in the service-providing sector requiring young people to have strong work readiness skills, particularly those “soft skills” such as communication, team-work, customer service and problem-solving skills.

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Given the challenges faced by today's youth, employment and training programming for youth is critical to the current and future well-being of our nation and its youth and young adults. The WIA Youth program is well positioned to prepare youth for success in the knowledge-based economy. Under Title I of the WIA, Youth Activities funds are allocated by formula to states that in turn, allot funds to local areas to deliver a comprehensive array of youth workforce investment activities. These activities help assure that youth obtain skills and knowledge to succeed in a knowledge-based economy, including in growing and emerging industry sectors such as health care and "green" jobs. WIA authorizes services to low-income youth (ages 14 through 21) with barriers to employment, including youth who are deficient in basic skills or are homeless, are runaways, are pregnant or parenting, or are ex-offenders, school dropouts, or foster children. The program serves both in- and out-of-school youth, including youth with disabilities, and other youth who may require additional assistance to complete an educational program or to secure and hold employment. Service providers prepare youth for employment and post-secondary education by stressing linkages between academic and occupational learning. They also assist youth by providing tutoring, alternative secondary school services, summer and year-round work experiences, occupational training, supportive services, leadership development opportunities, mentoring, counseling, and follow-up services.

The services offered through the WIA Youth activities help ensure that low-income youth will see their wages increase, thereby reducing wage and income inequality. The services also help youth acquire the skills and knowledge necessary to succeed in the knowledge-based economy.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$940,500	0
2008	\$924,069	0
2009	\$924,069	0
2010	\$924,069	0
2011	\$0	0

NOTE: A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

Under Title I of WIA, formula funds are provided to states and local areas for the operation of WIA Youth training programs, in accordance with 29 USC 2851 Chapter 4. Funds for youth services are allocated to state that in turn, allocate funds to local areas based on a formula distribution as defined in Sec.127(b)(1)(C)(ii) of WIA.

The Workforce Innovation Fund grants will be awarded competitively through Solicitations for Grant Applications (SGAs) for the demonstration of new ideas and for the replication of proven practices.

YOUTH ACTIVITIES

FY 2012

Given the state of the economy and the challenging circumstances our nation's disconnected youth continue to face, ETA has set aggressive performance targets for the WIA Youth program as articulated in the performance table. The program utilizes the following common performance measures for youth employment and training programs: placement in employment, post-secondary education or advanced training; attainment of a degree or certificate; and literacy and numeracy gains. The use of common performance measures enables ETA to describe in a similar manner the core purposes and results of the youth employment and training programs. ETA will employ a number of strategies to meet its performance goals.

Meaningful work experiences, both during the summer and throughout the year, can provide youth with invaluable opportunities to learn about career opportunities and to gain the skills necessary to succeed in the workplace. According to the Recovery Act implementation evaluation conducted by Mathematica Policy Research Inc., a number of local areas reported that work experiences in the private sector more often resulted in youth obtaining permanent unsubsidized positions. Through policy guidance, ETA will encourage states and local areas to continue to provide work experience with the use of regular WIA Youth formula funds. With the preparation provided by the WIA Youth program, particularly the work experience component, low-income youth will be better positioned to enter the workforce, successfully complete secondary education and transition to post-secondary education, and obtain the skills necessary to succeed in the fastest-growing job sectors.

Beyond providing America's low income youth with opportunities to gain employment skills and work experience, the public workforce system should assist today's youth in accessing the opportunities that will help them keep pace with the increasing demand for post-secondary level skills in the U.S. economy. The system should strive to connect youth to community colleges and other providers for training and post-secondary education, support youth in obtaining educational and industry-recognized credentials, and ensure intentional transition planning that gives youth a clear path into a chosen career field. These goals will be accomplished through partnerships with secondary and post-secondary education and training institutions, and employers that seek to blend workplace and classroom learning and offer training and services that create bridges to college credit and occupational credentials – specifically, stackable credentials or intermediate benchmarks along occupational or career paths. With strong, strategic partnerships among schools, employers, workforce boards, economic development, community and other organizations, workforce development professionals can assist youth in acquiring the tools and skills necessary to choose and progress along career paths to well-paying, longer term careers.

To accomplish this, ETA will continue to develop collaborative partnerships aimed at aligning services to targeted youth at the Federal, state, and local levels for serving the neediest youth. These efforts include continuing to participate in a Federal interagency working group focused on coordinating resources for serving disconnected youth and collaborating with the Department of Education to better link workforce and education systems. In addition, ETA will expand its existing partnership with the Department of Health and Human Services to connect the public

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workforce system with Temporary Assistance for Needy Families (TANF) programs. ETA will build upon the state-level partnerships between TANF and workforce agencies created during the summer of 2010 to encourage more work experience opportunities for low-income youth by combining TANF and WIA resources. The Department will strengthen partnerships with the Departments of Interior and Agriculture that were started with a pilot program in 2010 to increase opportunities for youth to work in outdoor occupations and learn about natural resources and conservation on federally-managed public and tribal lands.

To help grantees achieve stated outcome goals, ETA will continue to focus its technical assistance in four key areas: (1) increasing credential attainment for the WIA youth population; (2) assisting local areas in offering training and work experience opportunities in the health care field, especially in allied health professions; (3) helping local areas create training and work experience opportunities in green jobs; and (4) assisting local areas to better serve youth with disabilities.

Increasing credential attainment for WIA youth participants is essential if they are to demonstrate mastery of desired skills that will help them compete in our knowledge-based economy. The Bureau of Labor Statistics (BLS) reported that 43 percent of job openings between 2008 and 2018 will be “middle-skill” jobs – those requiring more than a high school diploma but less than a bachelor’s degree. Occupations that usually require a post-secondary degree or award are expected to account for nearly half of all new jobs from 2008 to 2018 and one-third of total job openings. The Center on Wisconsin Strategy reports employers are looking to reduce their search costs for new employees and increase their confidence that new hires possess at least a foundation of basic vocational skills which are easily identified by portable and standardized credentials (White, S. et al 2010. “Greener Skills: How Credentials Create Value in the Clean Energy Economy.” Center on Wisconsin Strategies, University of Wisconsin-Madison). While the need for credential attainment is increasing, recent WIA performance data shows a decrease in the percentage of WIA youth exiters who attained a certificate or post-secondary degree; the rate declined from 9.8 percent in PY 2004 to 8.6 percent in PY 2008. ETA will focus on tools and best practices for the public workforce system that can help reverse this trend and increase credential attainment among low income youth.

Health care is one of the fastest growing industries in the nation. In December, 2009, BLS predicted that of the 30 fastest-growing occupations from 2008 to 2018, 17 will be in health care or medical research and employment in health care will increase by 21 percent or 1.6 million jobs. Projected shortages are particularly acute for allied health occupations such as medical assistants, respiratory therapists, pharmacy technicians, diagnostic medical sonographers, paramedics, and radiological technicians. ETA will provide states and local workforce areas information and assistance to create training and work experience opportunities for WIA youth participants in the health care field leading to the acquisition of credentials and good jobs. ETA will provide similar assistance to help low income youth acquire credentials and skills to take advantage of middle skill job opportunities in the green segment of the nation’s economy.

According to BLS, only 21.7 percent of working age persons with disabilities participate in the labor force. According to the U.S. Department of Education’s National Longitudinal Transition Study, youth with disabilities are less likely to complete high school and are only half as likely to

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attend post-secondary education as their non-disabled peers. Youth with learning disabilities often end up a part of the juvenile justice system and adult correctional system. It is critical that the public workforce system focus on youth with disabilities and increase access to and services for this population leading to better employment and education outcomes. ETA will collaborate with the Office of Disability Employment Policy to issue effective policy guidance and provide necessary technical assistance to help state and local WIA youth programs to more effectively serve youth with disabilities.

To prompt states and local areas to come forward with promising ideas as workforce system continues to evolve, the Department will contribute a portion of WIA Youth funds to the Workforce Innovation Fund. Through this Fund, the Department will test new ideas and replicate proven, cost-effective strategies for delivering better employment and training results. Through competitive grants to States, consortia of States, and regional workforce and education partnerships, the Department will invest in projects that:

- Engage employers more deeply in the workforce system to ensure that participants get relevant training and have strong employment outcomes
- Work across program silos to provide comprehensive services
- Improve and incentivize services to those with the greatest barriers to employment
- Promote more cost-effective service delivery, better measurement of cost per outcome, and cost/benefit analysis
- Support regional and sectoral collaboration
- Encourage use of data and rigorous evaluation to assess outcomes, inform continuous improvement, and provide meaningful information on workforce system and training provider performance.

In order to deploy these strategies and achieve the outcome goals, the budget requests \$923,913,000 for WIA Youth activities in FY 2012, \$156,000 less than the FY 2010 enacted level. As described in the overview section of the budget, \$73,913,000 of this funding will be contributed to the Workforce Innovation Fund. The remaining \$850,000,000 will go toward regular WIA Youth activities, \$74,069,000 less than the FY 2010 enacted level. The majority of this decrease from the FY 2010 level, \$62,537,000, will be taken from the youth statewide reserve funds allocated to Governors under the Workforce Investment Act. The appropriations language reduces the Governor Reserve level to ensure that local workforce areas do not have reduced allotments. Statewide reserve funds are often used by Governors to operate demonstration projects within local areas; however, the Workforce Innovation Fund will offset the loss of such funds by providing targeted demonstration projects across the country. The Workforce Innovation Fund will be able to test specific innovative models across the country that can be applied to future programming, arguably a more effective use of funds to pilot what works than disparate state projects. In addition, statewide reserve funds are traditionally expended at a much slower rate than local WIA youth funds with large amounts of statewide reserve funds carried into future program years. For example, over \$82 million of youth statewide reserve funds were carried into PY 2010, representing almost 40 percent of the total available statewide reserve funds for PY 2009. This is compared to less than 20 percent of available WIA youth local area funds carried into PY 2010.

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Based on the PY 2009 cost-per-participant, ETA expects to serve an estimated 257,030 participants through WIA Youth formula funding, about 22,000 fewer participants served than in FY 2010.

The proposed funding request level reflects a balance between fiscal responsibility and the Department's commitment to help low-income youth hardest hit by our Nation's economic problems. At the proposed funding level, the workforce investment system will need to rely on teamwork, communication, advanced planning, strong partnerships, and a focus on the core mission of the system to continue to ensure high quality service delivery to youth in times of diminishing resources. Investments in the Workforce Innovation Fund will help eligible entities develop innovative, streamlined service delivery strategies that will produce cost-effective employment and training outcomes. The Department will provide technical assistance to the system to help leverage Innovation Fund investments and maximize limited resources to produce effective outcomes.

FY 2011

Figures shown for FY 2011 reflect the annualized Continuing Resolution level as a full-year appropriation had not been enacted at the time the budget was produced. Since this level is based on the FY 2010 enacted level, operations under a full-year Continuing Resolution would be consistent with those described in the FY 2010 section.

FY 2010

FY 2010 funding for the WIA Youth program is \$924,069,000, which is the same as the FY 2009 enacted level. In PY 2010, DOL expected to serve an estimated 282,426 youth participants in WIA Youth program activities. States and local areas spent a significant percentage of the WIA Youth funds provided through the Recovery Act on summer employment opportunities in the summer of 2009 and gained substantial experience with this program component. Therefore, DOL focused the guidance for Program Year (PY) 2010 on lessons learned from the summer employment and other work experience opportunities.

In 2010, DOL published Training and Employment Guidance Letter No. 27-09 providing guidance for states and local workforce investment areas that emphasized summer employment and other work experiences in PY 2010 youth activities. It focused on four areas: (1) building the capacity for local areas to expand summer employment opportunities and work experiences based on lessons learned from PY 2009; (2) improving participants' employability skills through work readiness training; (3) working with the private sector (as well as the public employers) to expand work experience opportunities for economically disadvantaged and disconnected youth; and (4) strengthening activities that help youth successfully transition youth from subsidized work experience into unsubsidized employment, or into educational pathways, occupational skills training, or co-enrollment in WIA Adult services. In addition, it promoted strategies that included project-based learning activities, pre-apprenticeship and registered apprenticeship pathways, paid internships, and work experiences linked to educational attainment. It also

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encouraged local areas to improve eligibility determination processes and use technology to aid program administration and reporting.

As part of its continued collaboration, ETA strengthened collaborative partnerships at the Federal, state, and local levels to improve services and outcomes for youth most in need. These efforts included participation in the aforementioned Federal interagency working group focused on coordinating resources for serving youth disconnected from school and from work; and in a working group with the Department of Education to better link workforce and education opportunities systems. ETA established a partnership with the Department of Health and Human Services (HHS) to link resources for subsidized work experience through the Temporary Assistance for Needy Families program with workforce system connections to employers. ETA and the HHS' Administration for Children and Families and a Training and Employment Notice to both systems encouraging them to collaboratively explore the funds available for the creation and expansion of subsidized summer employment opportunities for low-income youth. ETA also continued to expand its partnerships with other Federal programs that could help create or expand training opportunities to prepare WIA youth participants for green jobs, including in renewable energy infrastructure, energy-efficiency, and home retrofitting.

ETA reached out to business and labor organizations to gain a deeper understanding about the skills, knowledge, and credentials aligned with occupations and industries important to local and regional economies. For example, ETA identified that allied health was among the fastest growing occupational fields for youth and subsequently sponsored the development and dissemination of an "Allied Health Access Guidebook" for practitioners use in creating or expanding programs and services leading to allied health opportunities.

To encourage local workforce areas to focus on workforce and related education and training services to youth with disabilities, ETA held a roundtable in October 2009 that included youth practitioners as well as experts in the disability field to gather information and increase its understanding in order to prepare program guidance to help local workforce areas improve services to and outcomes for youth with disabilities. (ETA plans to issue this program guidance in 2011.)

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DETAILED WORKLOAD AND PERFORMANCE				
	PY 2009	PY 2010	PY 2011	PY 2012
	Result	Target	Target	Target
Youth Activities				
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.1 – Increase workers’ incomes and narrow wage and income inequality.	--	--	--	--
Percent of participants who achieve literacy or numeracy gains of one AE level	38.10%	40.70%	40.40%	39.70%
Percentage of participants who achieve proficiency in work readiness skills	.00%	--	75.00%	75.00%
Formula Grant Participants	279,427	282,426	263,456	257,030
Formula Grant Cost Per Participants	\$3,307.00	\$3,272.00	\$3,307.00	\$3,307.00
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.2 – 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.	--	--	--	--
Percent of participants entering employment or enrolling in post-secondary education, the military or advanced training/occupational skills training in the first quarter after exit.	53.70%	53.10%	53.30%	53.60%
Percent of participants who earn a diploma, GED, or certificate by the end of the third quarter after exit.	52.90%	55.40%	54.70%	53.40%
Summer Employment Completion Rate	.00%	--	85.00%	85.00%

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

Workload and Performance Narrative

The detailed workload and performance table provides estimates for the number of youth participants served through WIA Youth Activities. In FY 2012, the Department estimates \$3,307 as the average cost per participant for WIA Youth Activities. This is based on actual cost per participant data from the most recent full program year (PY 2009).

The performance indicators for WIA Youth Activities include placement in employment and education measuring the percent of participants entering employment or enrolling in post-secondary education, the military, or advanced training/occupational skills training in the first quarter after exit; the degree/certificate attainment rate that measures the percent of participants who earn a diploma, GED, or certificate by the end of the third quarter after exit; and the literacy/numeracy gains measure that measures the percent of participants who achieve literacy or numeracy gains of one educational functioning level.

The FY 2010-2012 targets are based on a methodology developed by DOL for setting national performance targets using regression analysis. This regression uses program results from the prior

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year, current labor market conditions and individual characteristics to correct for the effects of the business cycle and labor market conditions on the outcomes of employment and training programs, producing targets that objectively reflect the impact of the economic environment on program performance. Data used to create these targets come from WIA Youth program results spanning the period 2000 to 2009. DOL developed these program specific regression targets based on the most recent annual results.

Key strategies that will result in outputs that will lead to the achievement of the above outcome goals include: partnering across youth serving agencies; increasing training opportunities in health care and green jobs; and increasing outreach and services to youth with disabilities.

This strategy of partnering across agencies will result in better coordinated resources devoted to serving low-income, disconnected youth and provide more opportunities for such youth to receive work experiences, including summer employment. Through regular data collection, ETA will monitor this output of increased participants in work experience and summer employment. ETA believes that increasing the opportunities for work experience for these youth is a promising strategy that may result in higher employment rates, higher rates of graduation from high school, and lower recidivism rates.

The strategy of increasing training and work experience opportunities in the health care sector and green jobs will result in the output of increased youth who receive health care and green job work experience and training. Given the projected growth in the health care sector and in green jobs, assisting local areas in creating additional training and work experience opportunities in the health care field will lead to increased employment rates and credential attainment for WIA youth participants.

The strategy of increasing services to youth with disabilities, including those in the juvenile justice system, will result in the output of increased numbers of youth with disabilities served under WIA Youth activities. Through regular data collection, ETA will monitor this output of increased number of youth with disabilities being served. Given the low rates of success in employment and education for this population, increased services to such youth will result in their increased entry into employment and attainment of credentials.

The performance indicator targets will not be impacted by the decreased funding as the decreased funding levels will only impact the numbers of participants served, but is not significant enough of a decrease to negatively impact performance levels. In addition, while it is premature to estimate how many participants would be served under the Workforce Innovation Fund (because it will depend in large part on what proposals States and regions come forward with), a key goal of the Fund will be to find better ways of delivering services more cost effectively, which may mean that resources redirected to the WIF would serve more people than they would have under the formula.

The Department monitors grantee performance regularly through Federal Project Officers in our regional offices to ensure that they are on target to meet performance goals. Such monitoring informs the design and delivery of technical assistance to improve performance.

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The Department also conducts evaluations of the WIA formula programs to evaluate the specific strategies promoted to support goal achievement. The results of such evaluation and research are used to revise and update strategies regularly. DOL has developed a plan for evaluating several components of the Recovery Act-funded programs related to youth services. The Department has funded an implementation evaluation of the Recovery Act Summer Youth Employment Initiative and has issued a report from that study, *Reinvesting in America's Youth: Lessons from the 2009 Recovery Act Summer Youth Employment Initiative*. The Department is currently managing three additional evaluation studies of summer youth employment initiatives under the Recovery Act: (1) an evaluation of post-summer 2009/2010 youth services; (2) an evaluation of Indian and Native American youth services, and (3) an evaluation of youth services funded with Temporary Assistance for Needy Families (TANF) Emergency Contingency funds. Results for all three evaluations of youth programs are anticipated in spring 2011, and will inform future program design and technical assistance efforts.

YOUTH ACTIVITIES

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	924,069	924,069	923,913	-156
	Total	924,069	924,069	923,913	-156

YOUTH ACTIVITIES

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
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Advisory and assistance services	0
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Grants, subsidies, and contributions	0
--------------------------------------	---

Built-Ins Subtotal	\$0
---------------------------	------------

Net Program	-\$156
--------------------	---------------

Direct FTE	0
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	Estimate	FTE
Base	\$924,069	0
Program Decrease	-\$74,069	0
Program Increase	\$73,913	0

GREEN JOBS INNOVATION FUND

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Diff. FY 12 Req. / FY 10 Enacted
Budget Authority	40,000	40,000	60,000	20,000

Introduction

In order to address the Secretary’s goal to prepare workers for good jobs and ensure fair compensation, the Green Jobs Innovation Fund (GJIF) does three things:

- The program helps workers develop the skills needed to succeed in a knowledge-based economy by providing training in emerging “green” industry sectors.
- The program helps workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs by helping them match their current skills to better jobs or helping them improve their skills through training so they can compete for better jobs.
- The program helps middle-class families remain in the middle class by assisting workers develop the skills they need to succeed in their jobs and stay employed as their current jobs incorporate green technologies.

The Green Jobs Innovation Fund (GJIF) is part of the Department’s efforts to ensure that workers have the necessary skills, knowledge, and abilities to succeed in a knowledge-based economy that includes high growth and emerging industry sectors, including green jobs. In response to the demand in local and regional labor markets, states and local workforce investment areas across the country are interested in expanding training opportunities in green industry sectors and occupations to help workers get better jobs and increased compensation. However, undertaking such efforts often requires resources beyond what is available in the regular Workforce Investment Act (WIA) formula funds. Through competitive grant opportunities, the Green Jobs Innovation Fund helps workers receive job training in green industry sectors and occupations and access green career pathways.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$0	0
2008	\$0	0
2009	\$0	0
2010	\$40,000	0
2011	\$0	0

NOTE: A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared.

GREEN JOBS INNOVATION FUND

Funding Mechanism

These funds will be awarded competitively through one or more Solicitations for Grant Applications (SGAs) and build upon strategies that were funded through the FY 2010 appropriations as well as a series of green jobs training grants funded by the Recovery Act.

FY 2012

In order to equip workers with skills for green industries, the Department is requesting \$60,000,000, which is \$20,000,000 above the 2010 enacted funding level. These funds will be used to award grants that are designed to: expand the pipeline of workers with skills needed for green jobs; connect to the ongoing and changing demands of employers; and facilitate pathways to middle class careers. The GJIF supports two of the Department's performance goals: 1) to increase the number of individuals completing training programs with industry-recognized credentials; and 2) to increase the number of individuals completing training programs for employment in green jobs. During FY 2012, the Department will use data gathered from programs funded through the American Recovery and Reinvestment Act (ARRA) Labor Market Information Improvement grants to help inform grantees about which industries and occupations to target.

In FY 2012, the Green Jobs Innovation Fund will integrate and build upon learning from awards made with FY 2010 and FY 2011 funds, and will reflect feedback from the public workforce system, employers, community and technical colleges, federal agencies, foundations, and other key stakeholders on green sectors and occupations. In implementing the initial round of the Green Jobs Innovation Fund, feedback has included the following: 1) funding that supports on-the-job training, paid internships and other work-based learning experiences is still needed; 2) employers must play a critical role in the identification of skills for new and existing jobs as well as provide specialized instructional expertise to education and training providers; 3) while the demand for workers with green skills has not reached anticipated levels, there is still the need for workers in green occupations within sectors such as, but not limited to, water, conservation, brownfields reclamation, and smart grid; 4) new employment and training investments should complement other public investments that support economic activity resulting in significant job creation, especially by small businesses; 5) Registered Apprenticeship is a viable and important workforce strategy that results in job placement; and, 6) training solely to gain green skills is not always sufficient to ensure job placement; upgrading basic skills, including literacy and math skills, is often equal or more critical. The third round of grants issued with FY 2012 resources will fund a variety of projects that complement, but do not duplicate, the first and second rounds of grants. The Department plans to use the requested funds to award approximately 12-15 grants and expects that 9,960 participants will receive training.

The Department of Labor (DOL) is able to use some of these funds to support grantees through technical assistance and is considering what types of technical assistance will be provided for this program.

GREEN JOBS INNOVATION FUND

FY 2011

Figures shown for FY 2011 reflect the annualized Continuing Resolution level as a full-year appropriation has not been enacted at the time the budget was produced. Since this level is based on the FY 2010 enacted level, operations under a full-year Continuing Resolution would be consistent with those described in the FY 2010 section.

FY 2010

ETA prepared a grant competition that supports a range of approaches for the \$40 million enacted for the Green Jobs Innovation Fund. The grants require and incentivize partnerships among community-based organizations, workforce investment boards, community colleges, employers, and adult education providers to provide training to participants from entry-level through community college level training in green careers. The grants will build on existing workforce programs (those programs that are already established and serving workers) and move participants into and along a green career pathway. DOL intends to award large grants to national and statewide organizations with local affiliates in at least 6 communities per grant to ensure a broad variety of projects across the country.

These competitive grants may support programs serving dislocated, unemployed and incumbent workers, including individuals with disabilities, people receiving public assistance, high school drop-outs, new entrants to the workforce, veterans, Indian and Native Americans and individuals with limited English proficiency. Grantees are required to focus on one or both of the following evidence-based strategies: 1) forging linkages to Registered Apprenticeship programs, and 2) integrating the delivery of technical and basic skills training through community-based partnerships.

Under the first strategy, grantees will bring together quality pre-apprenticeship programs with innovative Registered Apprenticeship programs as two critical components of a career pathway model that can expand employment opportunities for under-represented populations in green industry sectors. In order to facilitate entry into Registered Apprenticeship programs, particularly for underrepresented and disadvantaged populations, the grants facilitate agreements between pre-apprenticeship and Registered Apprenticeship program sponsors to transfer pre-apprenticeship experience and learning into credit towards the completion of a Registered Apprenticeship program—much like articulation agreements used between Registered Apprenticeship programs and institutions of higher learning.

Using the second strategy, community-based organizations will partner with the workforce system and employers to deliver integrated occupational and basic skills training. These projects may also include supportive services to help eligible participants find pathways out of poverty and into economic self-sufficiency, through employment in green industry sectors and occupations.

GREEN JOBS INNOVATION FUND

In addition, the Department places a strong emphasis on coordinating with and leveraging the resources of other Federal, state and local agencies, as well as directing these limited resources toward evidence-based program strategies.

From the expected 5 - 8 grants, approximately 6,640 participants will receive training.

GREEN JOBS INNOVATION FUND

DETAILED WORKLOAD AND PERFORMANCE				
	PY 2009	PY 2010	PY 2011	PY 2012
	Result	Target	Target	Target
Green Jobs Innovation Fund				
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.2 – 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.	--	--	--	--
Total Enrolled in Training		--	TBD	TBD
Total Completed Training		--	TBD	TBD
Participants		6,640	6,640	9,960
Cost Per Participant	\$.00	\$6,024.00	\$6,024.00	\$6,024.00
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.3 – Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	--	--	--	--
Percent of participants employed in the first quarter after exit	.00%	--	TBD	TBD
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.4 – Helping middle-class families remain in the middle class.	--	--	--	--
Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit	.00%	--	TBD	TBD
Average earnings in the second and third quarters after exit	\$.00	--	TBD	TBD

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

NOTE: The average earnings measure that was previously aligned with outcome goal 1.1 of increasing workers’ incomes and narrow wage and income inequality was moved to outcome goal 1.4 of helping middle-class families remain in the middle-class. The measure is more appropriate in this section as it better reflects the intent of the Green Jobs Innovation Fund which has a focus on job training strategies and does not directly impact how we would define successful outcomes for these grantees. With additional funds and using the same cost per participant, DOL anticipates a greater number of participants trained.

Workload and Performance Narrative

DOL measures performance in the Green Jobs Innovation Fund (GJIF) based on three interrelated outcomes: entered employment, average earnings, and employment retention. The GJIF invests in targeted training programs that provide participants with the skills they need to qualify for good jobs, place them in those jobs and help them retain to those jobs.

GREEN JOBS INNOVATION FUND

To ensure that grantees achieve strong outcome goals, the Department is targeting the use of the GJIF to support two training strategies that have been shown to provide good employment outcomes for workers. To help ensure that participants are able to earn family-sustaining wages, the Department will fund grants that enhance pre-apprenticeship and Registered Apprenticeship programs in green industry sectors and occupations by transferring pre-apprenticeship learning, or “credits,” into an existing Registered Apprenticeship program similar to an articulation agreement. This strategy creates a pipeline of workers, especially those from underrepresented and disadvantaged populations, for green jobs. A 2004 study by the Council for Education Policy Research and Improvement found that post-completion earnings of registered apprentices exceeded those of similar vocational certification program completers.

To help ensure that participants are able to both find employment and continue to advance their careers, grants will incorporate core components of career pathway programs for green jobs training that take into account the following: multiple entry points; innovations in program content and delivery, such as flexible scheduling, contextualization, integration of bridge programs; sequence of education and training leading to credentials with value in the labor market; support services (provided by community organizations, community colleges, and/or other organizations); and a strong role for employers in pathway development, worksite training, and contribution of resources. Research conducted by the Center for Law and Social Policy (CLASP) in seven states has shown that these elements are critical to moving workers into and along career pathways. (*Funding Career Pathways and Career Pathway Bridges: A Federal Policy Toolkit for States*. CLASP. May 2010.) A comprehensive set of services provided alongside training will further help address the goal to prepare workers for good jobs.

The outcome goals for these grants are based on participant experiences after completing training under the grants (reported the first, second, and third quarters after exit) and therefore a baseline will not be available until late FY 2011 or early FY2012 since the first set of grants will not be awarded until PY 2010. Once grants are awarded, DOL will begin collecting baseline data on job training program common performance measures (entered employment rate, employment retention rate, and average earnings). These measures enable DOL to describe in a similar manner the core purposes and results across grantees and the workforce investment system – how many people got a job, how many were retained in employment, and how much they earned. The Department anticipates that baseline data available in PY 2011 can be used to establish targets for PY 2012 and beyond.

In addition to outcomes, the Department also measures workload in terms of *the number of participants serviced* by the program. In FY 2012, the GJIF projects 9,960 participants served at an average per-participant cost of \$6,024. The projected cost per participant for the Green Jobs Innovation Fund was developed based on three primary factors. First, key grant activities will target individuals with barriers to employment, such as individuals with limited English proficiency, disconnected youth, and high school drop-outs. These populations typically require more intensive services to both prepare for and retain employment. Second, the grants are designed to provide some supportive services to those who need them, including transportation, child care, dependent care, and needs-related payments necessary to enable participants to participate in the training program. Finally, these grantees will provide additional retention and

GREEN JOBS INNOVATION FUND

follow up services to the individuals they train to help ensure successful outcomes and reinforce and stabilize job placement.

The Department monitors grantee performance regularly through Federal Project Officers in the regional offices to ensure that grantees are on target to meet performance goals. Such monitoring informs the design and delivery of technical assistance to improve performance. As part of program monitoring, the Department looks at the following system outputs:

- number of people served,
- number of people that enrolled in training,
- number of people that completed training, and
- number of people that received a credential.

These outputs help us understand whether the grantees are implementing strategies that will help them meet their outcome goals. In addition, the Department will gather learning and deliverables from grantees under this initiative, which is helpful for understanding grantees' technical assistance needs and informing future grant competitions.

GREEN JOBS INNOVATION FUND

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
41.0	Grants, subsidies, and contributions	40,000	40,000	60,000	20,000
	Total	40,000	40,000	60,000	20,000

GREEN JOBS INNOVATION FUND

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes		
Built-In		
To Provide For:		
Costs of pay adjustments		\$0
Grants, subsidies, and contributions		0
Built-Ins Subtotal		\$0
Net Program		\$20,000
Direct FTE		0
	Estimate	FTE
Base	\$40,000	0
Program Increase	\$20,000	0

WORKFORCE DATA QUALITY INITIATIVE

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Diff. FY 12 Req. / FY 10 Enacted
Budget Authority	12,500	12,500	13,750	1,250

Introduction

In FY 2010, ETA, in partnership with the U.S. Department of Education, launched the Workforce Data Quality Initiative (WDQI). The WDQI enables state workforce agencies to build longitudinal data systems that merge workforce information with education data. The implementation of this initiative complements Education’s State Longitudinal Data System (SLDS) Grants funded by the Recovery Act. Longitudinal data systems track individuals as they progress through the education system and into the workforce. Some states have developed comprehensive data systems that link individuals’ demographic information, high school transcripts, college transcripts, and quarterly wage data. These data systems provide valuable information to consumers, practitioners, policymakers, and researchers about the performance of education and workforce development programs and training providers.

Grants will be awarded to states to improve the quality and accessibility of performance data reported by workforce programs and training providers, and allow this information to be matched through longitudinal data systems. Improving information available from training providers is crucial to helping consumers make informed decisions when choosing among training providers. In addition, longitudinal data systems provide the information needed to guide educational and workforce institutions as they plan learning and skill-building services that lead to high returns in the labor market. Making this longitudinal information available can also advance the practice of program evaluation, enabling stronger ties between program goals and performance outcomes, and allowing researchers to assess the impacts of specific education and training programs on participant outcomes.

Resources requested for the WDQI in FY 2012 will be used to expand the initiative to up to 13 additional states (or consortia of states).

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$0	0
2008	\$0	0
2009	\$0	0
2010	\$12,500	0
2011	\$0	0

NOTE: A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared.

WORKFORCE DATA QUALITY INITIATIVE

Funding Mechanism

These funds will be competitively awarded to up to 13 states or consortia of states through a Solicitation for Grant Applications (SGA), expanding the participation of states funded through FY 2010 and FY 2011 resources. These states will be selected based on the quality of their applications and how well they meet the criteria set forth in the SGA.

FY 2012

The PY 2012 budget requests \$13,750,000 for the WDQI. This is the same level of funding requested in FY 2011. Funding for this initiative will allow approximately 13 additional states to implement workforce longitudinal databases. In addition, ETA requests to utilize 2%, or \$275,000, of the total requested amount, in order to provide technical assistance.

ETA will issue a third competitive SGA for state applicants. As in FY 2010 and FY 2011, applicants in FY 2012 will be required to:

- Submit a detailed plan for use of the grant funds, including an estimated timetable for reaching project benchmarks;
- Demonstrate commitment to cooperation and data quality improvement by relevant parties, such as state and local workforce and education agencies, educational institutions, and training providers;
- Clearly articulate measureable outcomes for data system development and improvement; and
- Outline a sustainability plan.

FY 2011

Figures shown for FY 2011 reflect the annualized Continuing Resolution level as a full-year appropriation has not been enacted at the time the budget was produced. Since this level is based on the FY 2010 enacted level, operations under a full-year Continuing Resolution would be consistent with those described in the FY 2010 section.

FY 2010

A total of \$12,500,000 enacted in FY 2010 was awarded for WDQI implementation to the following thirteen states: Florida, Iowa, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Missouri, North Dakota, Ohio, South Carolina, Texas, and Virginia. The FY 2010 grantees are not only geographically diverse, they also have data systems in various stages of development and complexity. For example, Louisiana and Massachusetts will use grant funds to develop totally new longitudinal databases for workforce program information. Maine will improve its partially developed workforce data system by creating linkages with education data and data from the state's social service and economic development programs. Texas will improve its existing database through more effective linkages between workforce and education data, and will enhance access to and analysis of linked data. These longitudinal data systems provide the information

WORKFORCE DATA QUALITY INITIATIVE

needed to guide educational and workforce institutions as they plan learning and skill-building services that lead to high returns in the labor market.

ETA issued a competitive SGA for state workforce agencies in the second quarter of 2010 fiscal year. Each grantee will be responsible for submitting regular reports on the current status of their longitudinal data systems, and will be expected to make significant progress on:

- Developing or improving longitudinal data systems for workforce data gathered by various agencies within the state linked at the individual-level.
- Matching individual-level, longitudinal workforce data to available education data.
- Improving the quality and breadth of the data in workforce longitudinal data systems.
- Utilizing longitudinal data to provide useful information about program operations and to analyze the performance of education and training programs.
- Providing user-friendly information to consumers to help them make informed employment, education and training choices.

WORKFORCE DATA QUALITY INITIATIVE

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	12,500	12,500	13,750	1,250
	Total	12,500	12,500	13,750	1,250

WORKFORCE DATA QUALITY INITIATIVE

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Advisory and assistance services \$0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program \$1,250

Direct FTE 0

	Estimate	FTE
Base	\$12,500	0
Program Increase	\$1,250	0

REINTEGRATION OF EX-OFFENDERS

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Diff. FY 12 Req. / FY 10 Enacted
Budget Authority	108,493	108,493	90,000	-18,493

Introduction

The Reintegration of Ex-Offenders (RExO) program prepares workers - specifically adult and youth offenders and at-risk youth - for good jobs in three ways:

1. The program increases workers' incomes by helping ex-offenders and youth at-risk of criminal behavior to obtain employment and/or training in industries and occupations that offer good wages and opportunities for advancement.
2. The program helps participants to gain skills and knowledge that will prepare them to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like "green" jobs, through increased training. These training opportunities are focused on providing industry-recognized certifications in high-growth industries, including green sectors, so that participants have increased opportunities for employment and the necessary skills for job growth.
3. The program helps participants who are in low-wage jobs or out of the labor market find a path into middle class jobs by creating pathways to employment through partnerships with the workforce system and the use of employer tax credits and the Federal Bonding program.

Adult and youth offenders and at-risk youth face extraordinary challenges in reintegrating into society and obtaining and retaining employment. Record youth unemployment, a high school dropout crisis, and the shift to a knowledge and service-based economy requiring greater levels of skills and education all demand that the country's workforce system be prepared to address the magnitude of this problem. In the case of ex-offenders, research has shown that low employment rates are closely related to high recidivism rates among those released from prison (Holzer, Harry et al 2003. "Barriers to Employment for Ex-Offenders" paper presented at the Reentry Roundtable, Sponsored by the Urban Institute, New York University, May 21-23). And yet, a study by the Urban Institute of persons released from state prisons in Illinois, Ohio, and Texas found that only 45 percent of ex-offenders returning to Chicago, Houston, and the largest cities in Ohio were currently employed eight months after release (Visher, Christy A., Sara Debus, and Jennifer Yahner. 2008. "Employment after Prison: A Longitudinal Study of Releases in Three States." Washington, DC: The Urban Institute).

The nation faces increased challenges in economic competitiveness in this 21st century global economy as the dropout crisis worsens. One-third of all American students drop out and never graduate from high school (Barton, P., 2005. "One-Third of a Nation: Rising Dropout Rates and Declining Opportunities." Policy Information Report, Educational Testing Service). Even worse, only half of all students of color and as few as a third of all students in the nation's largest high-poverty urban districts graduate from high school (Swanson, C., 2004. "The Real Truth about Low Graduation Rates, An Evidence-Based Commentary." Education Policy Center, Urban Institute). Both youth in the juvenile justice system and adults in the criminal justice

REINTEGRATION OF EX-OFFENDERS

system face severe educational and labor market barriers. A 2001 report stated that “a conservative, preliminary estimate of the prevalence of youth with learning and emotional disabilities in juvenile corrections is 32 percent, which is notably higher than the prevalence of disability among school-age children in the United States, which is about 9 percent” (Quinn, M. et al. 2001. “Students with Disabilities in Correctional Facilities.” Council for Exceptional Children). A 1997 report from the National Center on Education, Disability, and Juvenile Justice noted that the percentage of youth in juvenile correctional facilities who were identified as being in special education programs before their incarceration is at least three to five times higher than the percentage of the general public school population identified as learning disabled (Leone, P. E., & Meisel, S. 1997. “Improving education services for students in detention and confinement facilities.” *Children’s Legal Rights Journal*, 71 (1), 2- 12). A study of Philadelphia public schools found that only 10 percent of students in the Class of 2000 who had been placed in a juvenile correctional facility eventually graduated from the Philadelphia School District (Neild, R. C., & Balfanz, R. 2006. “Unfulfilled promise: The dimensions and characteristic’s of Philadelphia’s dropout crisis, 2000-2005.” Baltimore: Center for Social Organization of Schools, Johns Hopkins University). Adults in the criminal justice system also have low levels of educational attainment. Based on the 1997 Survey of Inmates in State and Federal Correctional Facilities, only 26 percent of state prison inmates have a high school diploma or higher; 35 percent have a General Education Diploma (GED); 40 percent have neither a high school diploma nor a GED; and 14 percent have an eighth grade education or less (Harlow, C. 2003. “Education and Correctional Populations,” Bureau of Justice Statistics, Special Report. January 2003, NCJ 195670). These low levels of educational achievement and attainment are steep barriers to employment when released prisoners return home.

At the same time, the labor market is raising the bar. Even earning a high school diploma or GED today is not enough to gain family-sustaining employment. Occupations that usually require a post-secondary degree or award are expected to account for nearly half of all new jobs from 2008 to 2018 (BLS, 2009). In addition, projected employment growth is concentrated in the service-providing sector (BLS, 2009) requiring employees to have strong work readiness skills, particularly those “soft skills” such as communication, teamwork, customer service and problem-solving skills.

Given the challenges described above, employment and training programming for youth and adult offenders is critical to the current and future well-being of our nation and the reduction of recidivism. To address these issues and support the Department’s strategic goals, youthful offender programs support a set of multi-site demonstrations, some aimed at juvenile offenders, others at young adult offenders, and still others at youth highly at risk of involvement in crime and violence. The adult ex-offender (RExO-Adult) programs seek to strengthen urban communities characterized by large numbers of returning prisoners through an employment-centered program that incorporates mentoring, job training, and other comprehensive transitional services. Both the adult and youth programs aim to assure that participants have the skills and knowledge to succeed in a knowledge-based economy, including in high-growth and emerging industries like green sectors. Both characteristics and challenges of youthful and adult offenders served by Department of Labor (DOL) programs parallel those of the general population of juvenile and adult offenders described above.

REINTEGRATION OF EX-OFFENDERS

DOL has separate goals for the RExO-Adult and Youthful Offender programs. For RExO-Adult, PY 2012 targets will be set at 59.9 percent for placement in employment in the first quarter after exit, 65.9 percent for retention in employment six months after leaving the program, \$9,975 for six months average earnings, and 22 percent or below for recidivism. For Youthful Offender grants, the PY 2012 targets will be 17 percent recidivism rate for young offenders ages 18 and above; a 16 percent recidivism rate for young offenders ages 14-17; and a 50.4 percent placement rate for out-of-school participants ages 18 and above.

To improve outcomes for youth and adult offenders, the RExO appropriation provides competitive grant awards and continuation funding for previously awarded grants. Continuation funding is based on meeting performance expectations and facilitating partnerships with other Federal agencies like the Department of Justice and Health and Human Services to ensure participant connections to necessary supportive services. The Department will also make available resources needed to pilot effective service models of employment, training, and career development for participants that also connect them to educational and other necessary supportive services; develop replicable program models that can be sustained by state and local governments, workforce investment boards, and faith-based and community organizations; and inform future Federal policy aimed at serving juvenile and adult offenders and reducing crime and violence in the country.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$68,944	0
2008	\$73,493	0
2009	\$108,493	0
2010	\$108,493	0
2011	\$0	0

NOTE: A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

DOL funds Reintegration of Ex-Offenders projects through a competitive solicitation process, with some grants receiving incremental funding from available future year funds and others receiving full funding at the time of award. Grants for serving adult ex-offenders will be awarded to faith-based and community organizations. Grants for serving youth offenders may be awarded to various types of organizations, including national and regional intermediaries, community-based organizations, and state and local juvenile justice agencies.

REINTEGRATION OF EX-OFFENDERS

FY 2012

Given the current state of the economy and the challenging circumstances that adult and youth offenders face in entering the workforce, DOL will focus on providing grant opportunities to communities exhibiting high numbers of adult and youth offenders and high populations of at-risk youth. With FY 2012 funds, the Department will support a combination of competitive grants to national and regional intermediaries, state and local, and faith-based and Community organizations that serve youth offenders. These projects will include a focus on reducing recidivism of youth offenders and providing increased opportunities for education and training that will lead to educational degrees (GEDs and high school diplomas); and industry-recognized certifications in high-growth industries. These projects will build off of past lessons learned and results from research. A portion of the funds will be used for projects specifically serving high-crime, high-poverty areas. The Department will coordinate grant activities with the Office of Juvenile Justice and Delinquency Prevention. Grants will provide pre- post-release services for juvenile offenders and focus on developing strong employer partnerships. To support the success of grant projects, DOL will provide technical assistance to grants and ensure that a key component of grant competitions is resource alignment through improved partnerships with other Federal, state and local agencies.

Due to the difficulties adult offenders have in finding work post-release, the adult-serving portion of RExO will provide funds to community and faith-based organizations in localities experiencing high rates of returning offenders. These organizations will provide an employment-focused service strategy to align with the requirements that paroled offenders have to be employed soon after release. Partnerships are a key component of this service strategy in order to connect offenders with the supportive services necessary for reintegration. For adult programs the Department will coordinate grant activities with the Bureau of Justice Assistance. These projects work with local employers to create relationships that support pathways to employment for returning offenders. The Work Opportunity Tax Credit and Federal Bonding program are two strategies that are used to assist employers with their confidence in hiring ex-offenders. There is ample evidence that employment is the key to reducing recidivism – a 1995 study by the Federal Bureau of Prisons' Office of Research and Evaluation found that a factor significantly related to a lower risk of recidivism was employment at release (Harer, 1995). This research is borne out in the performance outcomes of the adult-serving RExO grants, where the recidivism rate has consistently remained at 13%, well below the national average of 44% at one-year post-release (Bureau of Justice Statistics, 1994), in combination with an entered employment rate of 60% and an employment retention rate of 69% at the end of PY 2010.

As important to the continued success of offenders as quick attachment to work is the need for additional training and certification to ensure this population has the necessary skills to remain competitive in the global economy. Toward this goal, DOL is also focusing on the importance of industry-recognized certification and technical training for RExO-Adult participants.

In order to institute the strategies and meet the goals outlined above, the budget requests \$90,000,000 in funding for FY 2012. \$20,000,000 of this funding will support competitive grants to national and regional intermediaries for activities that prepare young ex-offenders and

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school dropouts for employment, with a priority for projects serving high-crime, high-poverty areas. These funds will be used to serve approximately 22,533 adult and youthful offenders at a cost per participant of \$4,349, which represents 2,192 fewer participants than in FY 2010. This reduction to \$90 million includes the completion of a demonstration program of grants to Persistently Dangerous Schools in FY 2011. Lessons learned from this demonstration will be provided to the Department of Education.

FY 2011

Figures shown for FY 2011 reflect the annualized Continuing Resolution level as a full-year appropriation had not been enacted at the time the budget was produced. This level is based on the FY 2010 enacted level; however, grant competitions and projects implemented under a full-year Continuing Resolution may vary from those described in the FY 2010 section.

FY 2010

The funding level for FY 2010 was \$108,493,000 for the Reintegration of Ex-Offenders program. With these funds, RExO will serve an estimated 24,725 individuals at a cost-per-participant of \$4,388. The actual number of participants served was lower than projected and the cost-per-participant is higher than anticipated because three projects have much higher costs than typical RExO projects. These projects include the transitional jobs demonstration required in the FY 2010 Appropriation, the Civic Justice Corps project, and the continuation YouthBuild Newark intermediary grant originally awarded in FY 2008. The Department conducted a thorough review of all current offender-focused grants and several proposed ex-offender programs which led to the development of a detailed plan to support FY 2010 funded ex-offender projects. The review was done in cooperation with the Department of Justice.

New programs in FY 2010 included \$15,000,000 for statutorily-required competitive grants to provide transitional job activities for ex-offenders. The transitional jobs model, which combines short-term subsidized employment with case management services, holds promise based on rigorous evaluations which suggest that this model reduces recidivism. As part of the transitional jobs demonstration project, grantees were selected and trained for a random assignment evaluation process that got under way in late FY 2010. DOL funded a new grant competition for programs for juvenile offenders based on the civic justice corps model and a new grant competition to serve juvenile offenders in high-crime, high-poverty communities. The civic justice model offers youth paid opportunities for service projects in their communities along with intensive case management, life skills development, and job training. The model is currently undergoing its first rigorous evaluation in New York City, but programs around the country have shown promising outcomes. The projects serving juvenile offenders in high-crime, high-poverty communities will be conducted through intermediary organizations.

Performance outcomes for RExO-Adult participants continue to be on par with targets. There has been a slight downturn in the performance outcomes of adult program participants in the past year as unemployment and competition for job placements has increased. The adult program still shows strong results, demonstrating a 59% placement rate from program inception in 2005

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through PY 2010. Retention and earnings are also performing strongly. The table below indicates the performance for the adult program:

Period Ending	Entered Employment Rate	Employment Retention Rate	Six-Months Average Earnings
June 30, 2009	59%	69%	\$10,171
June 30, 2010	59%	69%	\$10,077

Performance for youth-serving Reintegration of Ex-Offender projects is slightly better than the target placement rate for out-of-school participants ages 18 and above and the target recidivism rate for young adult offenders ages 18 and above, and slightly worse than the target recidivism rate for youth ages 17 and below. The table below indicates the performance for the youthful offender program:

Period Ending	Recidivism Rate for Youth Ages 17 and Below	Recidivism Rate for Young Adults Ages 18 and Above	Placement Rate for Out-of-School Young Adults Ages 18 and Above
June 30, 2009	19%	9%	50%
June 30, 2010	20%	14%	56%

The Department provided continuous technical assistance to grantees to ensure successful program implementation, strong partnership development, and a focus on training participants to receive industry-recognized credentials, including those in green and other in-demand occupations. The Department also continued to work closely with other Federal agencies. The Department of Justice continued to be a strong partner for program development, participant referral, outcome tracking, and resource support. As well, the Department of Education became an increasingly important partner in working together to support Persistently Dangerous Schools demonstration grantees.

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DETAILED WORKLOAD AND PERFORMANCE				
	PY 2009	PY 2010	PY 2011	PY 2012
	Result	Target	Target	Target
Reintegration of Ex-Offenders				
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.1 – Increase workers’ incomes and narrow wage and income inequality.	--	--	--	--
Average earnings in the second and third quarters after exit	\$10,077.00	\$9,350.00	\$9,456.00	\$9,686.00
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.2 – Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like “green” jobs.	--	--	--	--
Percentage of youth ages 18 and above entering employment or enrolling in post-secondary education, the military or advanced training/occupational skills training.	56.00%	48.50%	55.50%	55.90%
Percentage of youth ages 18 and above entering employment or enrolling in post-secondary education, the military or advanced training/occupational skills training.	56.00%	55.40%	55.50%	55.90%
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.3 - Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	--	--	--	--
Percent of non-youth participants employed in the first quarter after exit	59.00%	57.80%	58.10%	58.70%
Participants	18,566	24,725	23,355	22,533
Cost Per Participant	\$5,844.00	\$4,388.00	\$4,196.00	\$4,349.00
Percent of non-youth participants employed in the first quarter after program exit still employed in the second and third quarters after exit	69.00%	64.80%	64.90%	65.50%
Percent of non-youth participants re-arrested for a new crime or re-incarcerated for revocation of a parole or probation violation within one year from release from prison	13.00%	22.00%	22.00%	22.00%
Percentage of youth offenders ages 14-17 recidivating	20.00%	16.00%	16.00%	16.00%
Percentage of youth offenders ages 18 and above recidivating	14.00%	17.00%	17.00%	17.00%

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

REINTEGRATION OF EX-OFFENDERS

Workload and Performance Narrative

The performance measures for the adult-serving RExO program indicate a focus on continuous improvement in outcomes. The RExO-Adult program has demonstrated consistent performance improvement since its inception in 2005. Meeting the performance targets for RExO-Adult can be attributed to several key factors. First, the program model is employment-focused, which meets the needs of the majority of participants, who are often required as a mandate of probation or parole to have employment. Employment is also considered one of the factors to reduce recidivism, as described in the Introduction. Grantees must have strong employer partners in place that will hire ex-offenders and they are also strongly encouraged to take advantage of the Work Opportunity Tax Credit and Federal Bonding program to ensure placement opportunities for ex-offenders. Second, the program model focuses on intensive supportive services, allowing participants to access resources that are necessary to reintegrate into society, such as housing assistance, substance abuse and mental health treatment, access to professional clothing, and even transportation assistance. The grant programs also provide vocational and soft skills training and a focus on in-demand occupations, which increases opportunities for career progression and wage increases. Mentoring is also a required program component and the use of mentors has been shown to improve employment performance, assist in on-the-job conflict resolution, and provide stability to ex-offenders that leads to employment retention. Many grant programs have green pathways and industry-recognized certification programs to ensure that participants receive the training necessary to succeed in the current workforce.

Technical assistance is also a key component of RExO-Adult and grantees have access to a wide array of resources, including dedicated technical assistance coaches that conduct site visits, in-person and electronic training opportunities, peer-to-peer networking conferences, and Webinars that share best practices for serving ex-offenders successfully. Grantees are required to submit quarterly performance, narrative and financial reports through a Web-based Management Information System (MIS) that allows for daily review of performance tracking and means that technical assistance can be deployed at the first sign that a grantee is struggling in a certain area. This access to real-time data has been invaluable in supporting grant success and the ongoing improvement of performance outcomes.

The Department has three main performance measures for youthful ex-offender projects—the recidivism rate of youth ages 17 and below, the recidivism rate of older youth and young adults ages 18 and above; and the rate at which out-of-school youth and young adults ages 18 and above are placed in employment, long-term vocational training, post-secondary education, or the military. In addition, depending on the project, the Department sets additional performance measures, such as increasing the reading and math skills of participants, increasing the rate at which ninth graders are promoted to the tenth grade, and decreasing the rate at which participants drop out of high school. These are all relevant performance measures for youthful offender projects given the very low academic achievement of youthful offenders. Changes from year to year in the placement rate for out-of-school youth ages 18 and above in RExO youthful offender programs primarily reflect differences in the mix of projects being funded. Projects serving young adult participants have higher placement rates than projects serving 18 and 19-year-olds, and more mature projects have higher placement rates than projects in their first year of

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operation. Variations among grantees in the recidivism rates of participants mainly reflect the extent to which a project is serving high-risk participants. Grantees serving juveniles who have been in correctional facilities have higher recidivism rates than grantees serving primarily juveniles who have been on probation.

Dividing a given year's appropriation by the number of persons served in that year is not a correct measure of the cost-per-participant of the Reintegration of Ex-Offenders program because funds appropriated in a given year for the program are not spent by grantees that same year. DOL does not typically obligate appropriated funds to grantees until the end of the program year. Then grantees go through a planning period and a start-up period, so a significant portion of the funds are not usually spent until the following program years. The cost-per-participant figures would still be accurate in a steady-state program, but this is not the case with the ex-offender program. When the FY 2010 appropriated funds are eventually spent, the numbers served will be approximately 22,533 and the cost-per-participant will be approximately \$4,349. This projected number of participants is lower than originally estimated/than prior years and this projected cost-per-participant is higher than the targets because the Department is funding three projects with FY 2010 funds that have much higher costs-per-participant than typical RExO projects. These projects include the Transitional Jobs Demonstration required in the FY 2010 Appropriation, the Civic Justice Corps project, and the YouthBuild Newark intermediary grant.

The Department is clear in grant announcements about the performance measures that will be used in projects. After grant award, the Department holds introductory meetings of grantees, with performance measures and goals the focus of these meetings. Each grantee has a Federal Project Officer from the DOL regional offices who is responsible for monitoring the progress of the project, with an emphasis on the project's performance measures. These Federal Project Officers also conduct site visits to grantees, travel funds permitting, to monitor the grants and to provide technical assistance in meeting performance goals. The Department also receives quarterly reports from grantees and uses these reports in monitoring the progress of grantees. The Department also typically conducts periodic conference calls with grantees involving both national and regional office staff, and for some sets of grantees conducts annual meetings that focus largely on performance.

The Department also provides technical assistance to youthful offender grantees to help them improve their performance. Where appropriate, the Department uses coaches with years of experience operating youth programs to provide on-site technical assistance to grantees in meeting their performance goals. The Department has also provided technical assistance in specific subject areas, such as improving connections to private sector employers, implementing mentoring programs, and developing Career Academies in high schools served by grants.

This year the Department will take several steps to improve the performance of grantees in meeting their placement and recidivism rate goals. The Department will work with the Office of Juvenile Justice and Delinquency Prevention in the Department of Justice to identify risk factors for recidivism and to train grantees on these risk factors and to implement interventions to address these risk factors. The Department will also begin conducting quarterly production meetings with each grantee including both regional and national office staff to go over progress

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in meeting performance goals and to provide guidance to improve performance. The Department will also focus additional technical assistance efforts directly on improving performance in placement and recidivism rates.

REINTEGRATION OF EX-OFFENDERS

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
41.0	Grants, subsidies, and contributions	108,493	108,493	90,000	-18,493
	Total	108,493	108,493	90,000	-18,493

REINTEGRATION OF EX-OFFENDERS

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments \$0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program -\$18,493

Direct FTE 0

	Estimate	FTE
Base	\$108,493	0
Program Decrease	-\$18,493	0

CAREER PATHWAYS INNOVATION FUND

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Diff. FY 12 Req. / FY 10 Enacted
Budget Authority	125,000	125,000	0	-125,000

Introduction

The Budget does not contain a request for the Career Pathways Innovation Fund, which was last requested in FY 2010 to focus on developing and expanding career pathway programs at community colleges. Career pathway programs have clear sequences of coursework and credentials, often delivered through community colleges, each leading to a better job in a particular field such as health care, law enforcement, and clean energy. These programs can have multiple entry and exit points and often include links to services such as basic adult education and English as a Second Language classes that make them accessible to individuals who are not yet prepared to enroll in college courses. Career pathways are a relatively new strategy for community colleges, but several existing programs have shown promising outcomes. The Department considers the continued development and expansion of career pathway programs to be an important strategy for improving education and workforce outcomes for workforce investment system participants, and for helping America’s workers get and retain good jobs. In FY 2012 a new funding stream, the Trade Adjustment Assistance Community College and Career Training Grant Program, will be the Department’s primary vehicle for funding community college-based workforce training programs, including career pathway programs.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$123,750	0
2008	\$122,816	0
2009	\$125,000	0
2010	\$125,000	0
2011	\$0	0

NOTE: A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

In FY 2010, the Career Pathways Innovation Fund replaced the Community-Based Job Training Grants, and funding was appropriated as a national activity under the authority of Section 171 of the Workforce Investment Act (WIA). FY 2010 funds will be awarded competitively through Solicitations for Grant Applications no later than June 30, 2011. Grants will be awarded to community colleges and consortia of community colleges, and also may be awarded to other organizations such as Hispanic-Serving Institutions and Historically Black Colleges, as well as Workforce Investment Boards.

CAREER PATHWAYS INNOVATION FUND

FY 2012

No funds are requested for this activity in FY 2012. ETA will support training offered by community colleges and other institutions of higher education through the Trade Adjustment Assistance Community College and Career Training Grant Program.

FY 2011

Figures shown for FY 2011 reflect the annualized Continuing Resolution level as a full-year appropriation has not been enacted at the time the budget was produced. Since this level is based on the FY 2010 enacted level, operations under a full-year Continuing Resolution would be consistent with those described in the FY 2010 section. Note that there were no funds requested for the Career Pathways Innovation Fund in FY 2011.

FY 2010

The FY 2010 appropriation provided \$125,000,000 for the Career Pathways Innovation Fund. To implement the initiative, the Department is issuing a competitive Solicitation for Grant Applications (SGA). Through this SGA, the Department will award grants to community colleges, consortia of community colleges, and local Workforce Investment Boards to develop or expand career pathway programs in partnership with education and training providers, employers, and the workforce investment system. Grant awards are also for other organizations such as Hispanic-Serving Institutions or Historically Black Colleges. At least \$65,000,000 of the grants are to prepare workers for careers in the health care sector. Given the projected employment growth in fields across health care, including nursing, allied health, long term care and health information technology, funds support efforts to train new entrants to these careers, as well as to ensure that incumbent workers continually upgrade their skills. The grants help individuals attain employer-recognized or accredited credentials, helping to ensure skill transferability and recognition as workers advance along career paths into higher paying jobs.

The Department of Labor (DOL) has consulted with the Department of Education while developing the initiative to gain insight into curriculum development, the importance of credit transferability, and linkages between community colleges and K-12 education. To be selected for funding, applicants must:

- Demonstrate that the career pathway program prepares individuals for careers that have current or projected job openings in the region;
- Explain how the program will recruit and retain students;
- Identify the types of students the program aims to serve and how the program is targeted to meet their needs;
- Describe the education and training strategies proposed for the project, and note what evidence suggests that these strategies are effective,
- Submit a detailed spending plan and timetable for achieving measurable benchmarks; and,
- Set a reasonable time limit for development of new programs, after which grantees will promptly begin delivering training services.

CAREER PATHWAYS INNOVATION FUND

The Department is able to use a portion of funds to support the implementation of the grants, and of the expected 40 - 50 grants approximately 60,130 participants will receive training.

The Department is also using this program to build the evidence base about career pathway programs by allowing applicants that submit a strong evaluation plan to use a portion of grant funds for evaluation.

CAREER PATHWAYS INNOVATION FUND

DETAILED WORKLOAD AND PERFORMANCE				
	PY 2009	PY 2010	PY 2011	PY 2012
	Result	Target	Target	Target
Career Pathways Innovation Fund				
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.1 – Increase workers’ incomes and narrow wage and income inequality.	--	--	--	--
Average earnings in the second and third quarters after exit	\$17,690.00	\$20,631.00	\$20,631.00	--
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.2 – Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like “green” jobs.	--	--	--	--
Number of participants enrolled in training	50,879	54,745	54,745	--
Number of participants completing training	28,866	34,728	34,728	--
Number of participants receiving certifications	21,781	26,938	26,938	--
Total Participants	58,190	60,130	60,130	--
Cost per Participant	\$2,148.00	\$2,078.00	\$2,078.00	--
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.3 – Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	--	--	--	--
Percent of participants employed in the first quarter after exit	52.20%	72.30%	72.30%	--
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.4 – Help middle-class families remain in the middle class	--	--	--	--
Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit	86.90%	90.90%	90.90%	--

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

Workload and Performance Narrative

DOL measures performance in the Career Pathways Innovation Fund (CPIF) based on three interrelated outcomes: entered employment, average earnings, and employment retention. These grants are designed to help individuals obtain training that leads to industry-recognized credentials and opportunities for better jobs.

To help ensure that participants increase their job-relevant skills, are able to find employment, and continue to advance their careers, CPIF grants incorporate core components of career pathway programs: multiple entry points; innovations in program content and delivery, such as flexible scheduling, contextualization, integration of bridge programs; sequence of education and

CAREER PATHWAYS INNOVATION FUND

training leading to credentials with value in the labor market; support services (provided by community organizations, community colleges, and/or other organizations); and a strong role for employers in pathway development, worksite training, and contribution of resources. Research conducted by the Center for Law and Social Policy (CLASP) in seven states has shown that these elements are critical to moving workers into and along career pathways. (*Funding Career Pathways and Career Pathway Bridges: A Federal Policy Toolkit for States*. CLASP. May 2010.)

The predecessor to the CPIF was the Community-Based Job Training (CBJT) grant program. CBJT grants were first awarded in FY 2005 and additional rounds of CBJT grants were awarded in the succeeding fiscal years. CBJT grants have generally had a three year period of performance, and grantees work toward their program goals over that full period of time. In order to gauge the success of these programs during the course of their grant activities, the Department has established targets for each round of grants in the fiscal year when those grants are scheduled to end. As a result, the targets shown for FY 2010, FY 2011, and FY 2012 are targets for rounds of CBJT grants awarded in prior years.

The total participants, participants that enroll in training, participants that complete training, and participants that receive certifications outcome categories are based on specific outcome categories that were included in the Solicitation for Grant Applications used to award the CBJT grants. These outcome categories are the primary metrics DOL uses to monitor grantees work toward the goals of the program; grantees provide DOL with quarterly updates on their progress on these metrics. The average earnings, employment and retention measures are the common performance measures, which were implemented across DOL's job training programs as of July 1, 2005. By standardizing the reporting and performance requirements of different programs, the performance measures give DOL the ability to compare across programs the core goals of the workforce system - how many participants entered jobs; how many stay employed; and the average wage earnings for participants who stay employed.

CAREER PATHWAYS INNOVATION FUND

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
41.0	Grants, subsidies, and contributions	125,000	125,000	0	-125,000
	Total	125,000	125,000	0	-125,000

CAREER PATHWAYS INNOVATION FUND

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Grants, subsidies, and contributions \$0

Built-Ins Subtotal \$0

Net Program -\$125,000

Direct FTE 0

Estimate FTE

Base \$125,000 0

Program Decrease -\$125,000 0

PILOTS, DEMONSTRATIONS AND RESEARCH

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Diff. FY 12 Req. / FY 10 Enacted
Budget Authority	93,450	93,450	6,616	-86,834

Introduction

Pilots, Demonstrations, and Research (PD&R) activities are authorized under Section 171 of the Workforce Investment Act (WIA) of 1998. Under Section 171, the Employment and Training Administration (ETA) conducts pilot, demonstration, and research activities that support key areas of program and policy emphasis, inform workforce investment policies and investment decisions, and support continuous improvement of the workforce investment system.

Section 171(b)(1) of WIA directs the Secretary of Labor to “carry out demonstration and pilot projects for the purpose of developing and implementing techniques and approaches, and demonstrating the effectiveness of specialized methods, in addressing employment and training needs.” Section 171(c)(2)(A) calls for the Secretary to “carry out research projects that will contribute to the solution of employment and training problems in the United States.” Thus, pilots, demonstrations, and applied research build knowledge that can improve the effectiveness of ETA programs. ETA will emphasize PD&R projects that increase the understanding of what program models and specific interventions best prepare different populations of workers to compete in the changing economy.

In the summer of 2007, ETA transmitted to Congress the Five-Year Research, Demonstration, and Evaluation Strategic Plan for 2007 – 2012. Priority areas for the Five-Year Strategic Plan for 2007 – 2012 include using state-level administrative data to measure progress and outcomes, and conducting demonstrations in post-secondary education and training, Unemployment Insurance, and other areas. ETA provides an annual plan to the Appropriations Committees prior to the obligation of these funds, as directed by appropriations language.

During FY 2009, ETA developed new performance indicators to improve the effectiveness of the programs. The new performance indicators are as follows:

- Percent of PD&R and Evaluation funds Federally obligated in accordance with the ETA Five-Year Strategic Research Plan;
- Percent of Evaluation products that are peer reviewed;
- Number of instances where published PD&R and Evaluation reports have been used to inform policy and research;
- Percent of requested in-house analysis completed on time;
- Percent of PD&R and Evaluation reports that will be published within six months of receipt by ETA; and
- Percent of non-earmarked PD&R and Evaluation funds that are awarded competitively.

PILOTS, DEMONSTRATIONS AND RESEARCH

In FY 2012, ETA plans to:

- Continue managing the funded Transitional Jobs Demonstration Grants to ensure they are being implemented to fidelity so that the evaluation can determine which strategies yield the best results for program participants.
- Continue providing technical assistance such as training, workshops, meetings, direct assistance, facilitation activities, and expert consultation to the Transitional Jobs Demonstration grantees to: 1) ensure they successfully implement their projects, 2) enhance their overall project effectiveness, and 3) increase the programs' opportunities to achieve their established goals.
- Continue providing research grants for doctoral and post-graduate level students in economics, public policy, public administration, or similar areas of study to continue building a new cadre of researchers and developing new knowledge of what works and does not work in the field of employment and training.
- Continue disseminating research and evaluation findings by printing select publications in hard copy and disseminating such as part of the Employment and Training Occasional Paper Series at a variety conferences and forums.
- Begin developing the ETA Five-Year Research Plan for 2012-2017 to determine priority research areas related to workforce investment programs and policies through 2017.

Details about each of these activities are further explained in the next section of this narrative.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$14,700	0
2008	\$48,508	0
2009	\$48,781	0
2010	\$93,450	0
2011	\$0	0

NOTE: A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

ETA funds pilot, demonstration, and research projects through grants or contracts as authorized under section 171 of the WIA.

PILOTS, DEMONSTRATIONS AND RESEARCH

FY 2012

A total of \$6,616,000 is requested for PD&R in FY 2012, a decrease of \$37,945,000 from FY 2010 (excluding earmarks). The overall purpose of employment and training PD&R activities, through applied research, is to: 1) “seed” promising practices for national policy application; and 2) evaluate pilot projects so effective practices can be launched on a larger scale. ETA plans evaluations of new and existing pilots and demonstration projects to understand the efficacy of the piloted interventions. Thus, pilots, demonstrations and applied research contribute to each of the six DOL outcome goals applicable to ETA by improving the effectiveness of services.

In FY 2012, PD&R projects will result in recommendations for continuous improvement, enhancement of public workforce system programs, development of future initiatives, and development of new knowledge of what works in the field of employment and training.

1. **Projects and Initiatives:** Areas of investment will be informed by the current five-year Research Plan and the Department’s priorities. These projects may include new approaches to unemployment insurance and Trade Adjustment Assistance, innovative service delivery approaches for at-risk out-of-school youth and young parents, the impact of public labor exchange services, application of technology-based learning methods, self-employment entrepreneurship, research using linked administrative data, and other initiatives that will provide actionable intelligence to inform policy and decision making.
2. **ETA Research Grants Program:** A new round of research grants for doctoral and post-graduate level students in economics, public policy, public administration, or similar areas of study will be provided. The purpose of the research grant program is to promote scholarly, policy-relevant research papers on topics related to the public workforce system. The research gathered from the program will provide actionable intelligence to ETA on a wide variety of topics and stimulate interest in employment and training research in academia.
3. **Dissemination Activities:** Disseminating research and evaluation findings is an important component of PD&R activities. The best practices and lessons learned from the various PD&R and evaluation projects that ETA supports is widely distributed to the public workforce system and stakeholder groups through various dissemination strategies. Activities include: 1) disseminating ETA research and evaluation findings at workforce-related conferences and/or meetings; 2) procuring material handling at conferences and forums; 3) procuring Government Printing Office (GPO) printing services; 4) procuring graphic design services to develop publication and other dissemination materials, as needed, and; 5) securing task order contract support for the dissemination of materials and other dissemination-related activities.
4. **ETA Five-Year Research Plan:** In FY 2012, ETA will develop the ETA Five-Year Research Plan for 2012-2017. The research plan will propose an agenda for PD&R and Evaluation studies in areas related to workforce programs and policies through 2017. The research plan serves as a reference tool and guide for ETA in planning projects for pilots,

PILOTS, DEMONSTRATIONS AND RESEARCH

demonstrations, research, and evaluation. The process for developing the research plan is intended to elicit feedback from a wide range of sources. It includes an Expert Panel, a Research Symposium, Federal Register notices, and relevant internal and external entities (including the Department of Labor's Assistant Secretary for Policy and Chief Evaluation Office, U.S. Department of Health and Human Services, U.S. Department of Education, the Office of Management and Budget, the U.S. Government Accountability Office, and Congressional committees).

While ETA will continue to manage and implement the PD&R-funded Transitional Jobs Demonstration grants awarded in previous years, the Budget does not request funding for another round of grants in FY 2012. Before considering more significant investments in transitional job models, the Administration seeks to integrate evidence from recent evaluations and the current demonstration. Three recent random-assignment evaluations of transitional job programs for ex-offenders and Temporary Assistance for Needy Family program recipients provide mixed results about the effectiveness of these programs. The current demonstration, which will begin in FY 2011, will test enhanced transitional jobs models, designed to provide more substantive subsidized jobs and better services to help participants succeed in unsubsidized employment. While the demonstration is underway, some funds from the proposed Workforce Innovation Fund could support additional targeted testing of transitional jobs.

The Budget also does not request continued funding for grants to address the employment and training needs of young parents, for which \$5,500,000 was appropriated in FY 2010.

FY 2011

Figures shown for FY 2011 reflect the annualized Continuing Resolution level as a full-year appropriation has not been enacted at the time the budget was produced. Since this level is based on the FY 2010 enacted level, operations under a full-year Continuing Resolution would be consistent with those described in the FY 2010 section.

FY 2010

A total of \$93,450,000 was enacted for PD&R in FY 2010. Of the amount appropriated, \$48,889,000 was used to fund 145 specific employment and training projects ranging from \$100,000 to \$3,200,000; \$5,500,000 was appropriated for a competitive grant opportunity to address the employment and training needs of young parents; and \$30,000,000 was appropriated to implement the Transitional Jobs Demonstration which included a competitive grant opportunity, an evaluation, technical assistance to selected grantees, and enhancements to a Management Information System to help grantees track participants and collect data. An additional \$15,000,000 from the Reintegration of Ex-offenders program was also designated to support the TJ Demonstration. Using a random assignment research methodology, the TJ Demonstration program is providing subsidized or supported employment with case management services to help non-custodial parents and ex-offenders obtain the skills needed to secure unsubsidized jobs.

PILOTS, DEMONSTRATIONS AND RESEARCH

In FY 2010, \$3,000,000 was used for the WIA Gold Standard Evaluation of the Adult and Dislocated Worker Programs to: 1) cover the costs of enrolling the randomly-selected Local Workforce Investment Areas (LWIAs); 2) provide onsite assistance to the LWIAs on the use of the participant tracking system; and 3) provide training to all of the One-Stop Career Centers in each selected LWIA on how to administer the random assignment procedures. The remaining funds appropriated were used to support research relating to Unemployment Insurance, to fund the 2010 Research Grants Program, to plan for the next Research Conference and to disseminate research and evaluation publications.

PILOTS, DEMONSTRATIONS AND RESEARCH

DETAILED WORKLOAD AND PERFORMANCE				
	PY 2009	PY 2010	PY 2011	PY 2012
	Result	Target	Target	Target
Pilots, Demonstrations and Research				
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	-	--	--	--
Outcome Goal 1.2 – Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like “green” jobs.	-	--	--	--
Percentage of all scheduled Pilot, Demonstration, Research and Evaluation reports from current studies that are submitted within 3 months of completion for approval and public dissemination.	100.00% (e)	100.00%	--	--
Upon approval, the percentage of Pilot, Demonstration, Research and Evaluation reports that will be published within 3 months, with briefings and summaries of studies for the Assistant Secretary.	100.00%	100.00%	--	--
The percent of Pilot, Demonstration, Research and Evaluation reports identified for external publication that will be published within six months of receipt by the ETA.	95.00%	95.00%	100.00%	100.00%
Percent non-earmarked of Pilot, Demonstration, Research and Evaluation funds federally obligated in accordance with the Employment and Training Administration Five Year Strategic Research Plan.	100.00%	100.00%	100.00%	100.00%
Number of instances where published Pilot, Demonstration, Research and Evaluation reports have been used to inform policy and research.	11	15	18	20
The percent of non-earmarked Pilot, Demonstration, Research and Evaluation funds that are awarded competitively.	100.00%	100.00%	100.00% (e)	100.00% (e)
Percent of requested in-house analysis completed on time.	100.00%	--	100.00% (e)	100.00% (e)
Projects (Pilots and Demonstrations)	18	18	19	20
Reports (Pilots and Demonstrations)	9	9	10	11
Projects (Research)	15	15	16	16
Reports (Research)	10	10	11	16
Projects (Transitional Jobs)	8	2	8	8
Reports (Transitional Jobs)	(r)	1	1	1

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

PILOTS, DEMONSTRATIONS AND RESEARCH

Workload and Performance Narrative

The workload and performance summary table contains the number of projects and reports for PD&R, and the TJ Demonstration. The FY2012 request for this program is \$6,616,000 for PD&R and performance is expected to remain at the same level

Workload performance shows a slight increase in the amount of projects (demonstration grants and/or research contracts) and reports for the FY2011 targets compared to the FY2010 targets except for transitional jobs, which remains the same given that this number represents the four year grants awarded in PY2010.

PILOTS, DEMONSTRATIONS AND RESEARCH

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
25.1	Advisory and assistance services	12,148	6,052	6,052	-6,096
41.0	Grants, subsidies, and contributions	81,302	87,398	564	-80,738
	Total	93,450	93,450	6,616	-86,834

PILOTS, DEMONSTRATIONS AND RESEARCH

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
--------------------------	-----

Advisory and assistance services	0
----------------------------------	---

Grants, subsidies, and contributions	0
--------------------------------------	---

Built-Ins Subtotal	\$0
---------------------------	------------

Net Program	-\$86,834
--------------------	------------------

Direct FTE	0
------------	---

	Estimate	FTE
Base	\$93,450	0
Program Decrease	-\$86,834	0

EVALUATION

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Diff. FY 12 Req. / FY 10 Enacted
Budget Authority	9,600	9,600	11,600	2,000

Introduction

As authorized under Section 172 of the Workforce Investment Act (WIA) of 1998, the Employment and Training Administration (ETA) carries out evaluations of programs and activities authorized by Title I of WIA. These evaluations support key areas of program and policy emphases, inform workforce investment policies and investment decisions, and can demonstrate continuous improvement of the public workforce system. ETA's Office of Policy Development and Research, Division of Research and Evaluation (DRE) is responsible for developing actionable intelligence to assist ETA leadership, office administrators, and program officials to further assess and improve the operation, effectiveness, and efficiency of the public workforce system. DRE obtains this intelligence through evaluations conducted by independent third parties using rigorous methodologies (including randomized controlled trials) that help ETA measure the impact of existing workforce development strategies. As such, ETA's evaluations are generally designed to increase an understanding of program models and specific interventions that best prepare different worker populations to compete in the changing economy.

Strategies used plan evaluations and disseminate evaluation findings, in order to improve the effectiveness of program services, include:

- Semi-annual meetings with the Assistant Secretary for Employment and Training (ASET), Deputy Assistant Secretaries for Employment and Training, and Senior Policy Advisors to provide briefings and recommendations concerning key evaluation findings, and receive information about current ASET priorities to inform DRE evaluation priorities.
- Semi-annual meetings with program and regional office administrators and key staff to provide briefings and recommendations concerning key evaluation findings and to learn about current program and regional office priorities to inform DRE evaluation priorities.
- Peer-to-peer discussions with program office staff and assigned program office liaisons to discuss program office plans, evaluation priorities, and knowledge gaps on a regular basis.
- Publishing a Biannual Public Workforce System Practitioners Compendium of Best Practices (*What Works Guide*) based on the intelligence DRE has gathered from Pilots, Demonstrations and Research (PDR) and evaluation projects and outside research.
- Working collaboratively with program office staff in planning development and implementation of evaluation projects, including program office participation in the development of statements of work, procurement panels, and project site selection and reviewing project deliverables (design reports, issue papers, interim reports, final reports, etc.).

EVALUATION

- Promoting and participating in information sharing and joint strategic planning with the Department of Labor’s Chief Evaluation Office and other government agencies involved in evaluation related to workforce development activities.
- Developing and enhancing approaches for disseminating evaluation findings that include:
 - Continuing briefings for ETA staff and others;
 - Obtaining feedback from internal and external consumers on how to improve the usefulness of disseminated evaluation results and findings;
 - Publishing evaluation findings in the DOL newsletter and similar publications;
 - Creating an internal ETA active desktop link to recent evaluation findings; and
 - Developing short summaries that present complex findings in a readily understandable and actionable manner for internal and external customers.

In addition to the combined performance benchmarks with pilots, demonstrations and research, evaluations are also measured through a program assessment by an independent review panel.

In FY 2012, ETA plans to continue implementing the following evaluations:

- The Random Assignment Evaluation of YouthBuild Program;
- The Reintegration of Ex-Offenders Initiative (RExO) Impact Evaluation;
- The WIA Gold Standard Evaluation of the Adult and Dislocated Worker Programs;
- The Transitional Jobs Demonstration random assignment evaluation; and
- The Young Parents Demonstration random assignment evaluation.

In addition, ETA plans to evaluate efforts funded under the Workforce Innovation Fund using resources set aside for such activity.

Details about each of these activities are further explained below.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$4,921	0
2008	\$4,835	0
2009	\$6,918	0
2010	\$9,600	0
2011	\$0	0

NOTE: A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared.

EVALUATION

Funding Mechanism

Evaluation funds are distributed through contracts and grants to independent research and evaluation firms as authorized under section 172 of the WIA.

FY 2012

A total of \$11,600,000 is requested for evaluation in FY 2012. ETA will continue the following evaluations with the requested funds.

- 1. YouthBuild Program Evaluation:** A random assignment evaluation of the YouthBuild program began in FY 2010. The evaluation measures the impacts at eighteen and thirty-six months post-program involvement on employment and earnings of individuals trained by a YouthBuild program compared to individuals receiving traditional WIA services. The evaluation will last seven years, and the final report will be available in late 2017. This evaluation is the first rigorous impact evaluation of the YouthBuild program ever conducted.
- 2. Reintegration of Ex-Offenders Initiative:** The Reintegration of Ex-Offenders Initiative (RExO) Impact Evaluation is a rigorous, random assignment evaluation of a demonstration serving formerly incarcerated individuals through employment-centered programs (formerly known as the Prisoner Reentry Initiative). The evaluation began in FY 2008 and examines impacts on participants' post-program labor market outcomes and rates of criminal recidivism by comparing outcomes of RExO participants to the outcomes of randomly assigned individuals who are eligible for but do not receive RExO services. The evaluation builds on an implementation study of the Prisoner Reentry Initiative¹.
- 3. WIA Gold Standard Evaluation (WGSE):** The WGSE of the Adult and Dislocated Worker Programs is a random assignment evaluation examining post-program impacts on participants' employment and earnings. The evaluation is being conducted over the course of seven years and represents a major improvement in the specificity and quality of WIA evaluations. FY 2012 funds will support follow-up interviews and analysis.
- 4. Transitional Jobs Demonstration Evaluation:** The Transitional Jobs Demonstration seeks to increase the workforce participation of low-income, hard-to-employ non-custodial parents and ex-offenders by providing subsidized employment and other services. The demonstration, which began in PY 2010, is employing a random assignment design to measure impacts on participants' post-program employment and earnings. In FY 2012, the evaluation will complete random assignment and begin short-term follow-up interviews.

¹ Bellotti, Jeanne, Douglas B. Holl, Nora Paxton and Lisa Kolovich, Evaluation of the Prisoner Re-Entry Initiative - Final Report, Employment and Training Administration, U.S. Department of Labor, January 2009 (ETAOP 2009-3)

EVALUATION

- 5. Young Parents Demonstration Evaluation:** Begun in FY 2009, this evaluation is using a random assignment evaluation strategy to determine the impacts of mentoring on young parents' post-program employment, earnings and other outcomes.

An additional \$14,900,000 is available to ETA to evaluate projects under the Workforce Innovation Fund. ETA plans to begin working with the Department of Education and Health and Human Services on these projects. The Workforce Innovation Fund Reserve (WIFR) provides set asides from the Youth, Adult, Dislocated Worker, and Employment Service formula programs to expand evidence-based, effective programs and evaluate innovative new strategies. Of the total \$298,000,000 set aside, five percent (\$14,900,000) may be used for evaluation and technical assistance.

FY 2011

Figures shown for FY 2011 reflect the annualized Continuing Resolution level as a full-year appropriation has not been enacted at the time the budget was produced. Since this level is based on the FY 2010 enacted level, operations under a full-year Continuing Resolution would be consistent with those described in the FY 2010 section.

FY 2010

A total of \$9,600,000 was appropriated for Evaluation in FY 2010, an increase of \$2,682,000 (39 percent) from FY 2009. The increase provided sufficient resources to fully sustain and support the Department's evaluation activities for YouthBuild, in addition to the Reintegration of Ex-Offenders Impact Study formerly known as the Prisoner Reentry Initiative Random Assignment Impact Study, WIA Gold Standard Evaluation of the Adult and Dislocated Worker Programs, and the Young Parents Demonstration Evaluation.

In FY 2010, a significant portion of the evaluation budget was used to begin a rigorous, random assignment evaluation of the YouthBuild program. A few studies of YouthBuild demonstrate promising results, but are not of adequate scope and rigor. The evaluation is measuring impacts on participants' educational attainment, postsecondary planning, employment, earnings, delinquency and involvement with the criminal justice system, and youth social and emotional development. The evaluation is also measuring the impacts of different program models and delivery systems and across different sub-populations.

EVALUATION

DETAILED WORKLOAD AND PERFORMANCE				
	PY 2009	PY 2010	PY 2011	PY 2012
	Result	Target	Target	Target
Evaluation				
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.2 – Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like “green” jobs.	--	--	--	--
Percentage of evaluation products peer reviewed by an independent panel	--	--	TBD	TBD

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

Workload and Performance Narrative

The detailed Workload and Performance Summary table includes one of the five measures used to benchmark performance accountability for Employment and Training evaluations. Data for measuring the percentage of evaluation products that are peer reviewed by an independent panel is unavailable due to the lack of appropriate products (only impact studies are peer reviewed) and, therefore, ETA will establish targets for FYs 2011 and 2012 during the next budget cycle.

The remaining measures are combined with the workload and performance benchmarks for PD&R and the outputs and targets for the workload measures are described in the preceding budget narrative for PD&R.

EVALUATION

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
25.1	Advisory and assistance services	9,398	9,356	11,356	1,958
41.0	Grants, subsidies, and contributions	202	244	244	42
	Total	9,600	9,600	11,600	2,000

EVALUATION

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Advisory and assistance services \$0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program \$2,000

Direct FTE 0

	Estimate	FTE
Base	\$9,600	0
Program Increase	\$2,000	0

WOMEN in APPRENTICESHIP

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Diff. FY 12 Req. / FY 10 Enacted
Budget Authority	1,000	1,000	1,000	0

Introduction

Over the past few years, Congress has appropriated approximately \$1 million annually for the Women in Apprenticeship and Non-Traditional Occupations Act (WANTO) of 1992 (Public Law 102-530). DOL’s Women’s Bureau and ETA have jointly administered the program, which awards competitive grants to recruit, hire, train, and retain women in apprenticeships and nontraditional occupations.

The goals of these grants are to fund innovative projects that improve the recruitment, selection, training, employment, and retention of women in registered apprenticeship programs for non-traditional and green-related occupations in a broad range of industries, including advanced manufacturing, transportation, and construction. These projects support the Secretary’s goals by providing women with opportunities to obtain career pathways into the middle class through high wage occupations. Additionally, these projects help address long-standing barriers that women have traditionally experienced as they seek entry into construction jobs. Using comprehensive and collaborative approaches, WANTO projects help create fair and diverse workplaces and support the Secretary’s vision of *Good Jobs for Everyone*.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$1,000	0
2008	\$983	0
2009	\$1,000	0
2010	\$1,000	0
2011	\$0	0

NOTE: A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

WANTO grants are awarded to community-based organizations, which form partnerships with labor organizations, Registered Apprenticeship program sponsors, community colleges, and employer-related non-profit organizations.

WOMEN in APPRENTICESHIP

FY 2012

A total of \$1,000,000 is requested in FY 2012 for WANTO grants. This request is the same amount as the FY 2010 request level. ETA will continue to jointly administer the grants with the Women's Bureau, and will work with community-based organizations, education institutions, and registered apprenticeship program sponsors to expand the placement and retention of women in registered apprenticeship programs in green industries, which include green construction, transportation, environmental protection, sustainable agriculture, recycling and waste reduction, and energy efficiency and renewable energy. A competitive Solicitation for Grant Applications (SGA) will be used to award the grants to consortia of community-based organizations and registered apprenticeship program sponsors.

FY 2011

Figures shown for FY 2011 reflect the annualized Continuing Resolution level as a full-year appropriation has not been enacted at the time the budget was produced. Since this level is based on the FY 2010 enacted level, operations under a full-year Continuing Resolution would be consistent with those described in the FY 2010 section.

FY 2010

In FY 2010 and FY 2009, Congress appropriated \$1,000,000 per year to DOL for WANTO grants. These funds were combined to support six competitive grant awards to consortia of registered apprenticeship program sponsors and community-based organizations. These grants, which were awarded in June 2010, and July 2010, provide educational opportunities and support participants' preparation for non-traditional and green-related occupations in a broad range of industries, including advanced manufacturing, transportation, and construction. In some cases, women will have the chance to receive U.S. Green Building Council's Leadership in Energy and Environmental Design certifications.

WANTO grants are awarded with a two-year period of performance. In PY 2008 WANTO appropriations were awarded as extensions to current grantees, and targets were lowered from the FY 2006 and FY 2007 period of performance because these grants coincided with economic downturn and lack of hiring in the construction industry. Placement of participants by these grantees has become much more difficult and requires the provision of more intensive services, including greater outreach and support. Given the continuing downturn in the construction industry, the Department anticipates that FY 2009 and FY 2010 grantees will also experience challenges in placing participants into pre-apprenticeships and/or registered apprenticeships, and therefore will also need to provide intensive services and support.

The tracking of the participants are provided by the individual grantees and reported as an aggregate count. The combined results for the FY 2006 and FY 2007 grantees, which are reported in FY 2010, are 1,229 women placed into pre-apprenticeships and 509 placed into registered apprenticeships.

WOMEN in APPRENTICESHIP

DETAILED WORKLOAD AND PERFORMANCE				
	PY 2009	PY 2010	PY 2011	PY 2012
	Result	Target	Target	Target
Women in Apprenticeship				
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.1 - Increase workers' incomes and narrow wage and income inequality.	--	--	--	--
Participants Placed into a Registered Apprenticeship Program	--	300	300	300
Number Entered Employment (as measured by placed in Registered Apprenticeship or related employment)	--		--	150
Cost per participant	\$3,333.00	\$3,333.00	\$3,333.00	\$3,333.00

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

Workload and Performance Narrative

At an annual funding level of \$1 million, ETA has generally competitively awarded three WANTO grants per annual appropriation to cover a two-year period of performance for the selected grantees. Beginning with FY 2012, ETA will use a new measure of performance, the Number of Participants Entering Employment as measured by placement into registered apprenticeship or related employment, to track the number of women being trained and placed by the WANTO grantees during the two-year performance cycle. A \$3,333 cost per participant number has been calculated by dividing the number of individuals served per year by the total historical funding amount of \$1 million. This cost per participant is likely to increase if grantees provide expanded supportive services and extended post-placement follow-up support. These targets supports the Strategic Goal 1, *Prepare workers for good jobs and ensures fair compensation* and the Outcome Goal 1.1, *Increase workers' incomes and narrow wage and income inequality*.

WOMEN in APPRENTICESHIP

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	1,000	1,000	1,000	0
	Total	1,000	1,000	1,000	0

WOMEN in APPRENTICESHIP

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Advisory and assistance services \$0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program \$0

Direct FTE 0

	Estimate	FTE
Base	\$1,000	0

INDIAN AND NATIVE AMERICANS PROGRAM

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Diff. FY 12 Req. / FY 10 Enacted
Budget Authority	52,758	52,758	54,158	1,400

Introduction

Workforce Investment Act (WIA) Section 166 - Indian and Native American Program prepares American Indians and Native Americans for good jobs in three ways:

- The program helps participants improve their skills through effective training programs so they can achieve their academic and occupation goals, enabling them to compete for better jobs.
- The program increases the literacy skills of the participants to position them to be prepared for occupational training in growth occupations.
- The program promotes economic and social development of Native Americans, consistent with community goals and values.

American Indians and Native Americans are by far the most impoverished single group in the nation, with astonishingly high unemployment rates in rural or isolated reservations and villages. On November 5, 2009, during President Obama’s opening remarks to Tribal leaders, the President stated, “Some of your reservations face unemployment rates of up to 80 percent. Roughly a quarter of all Native Americans live in poverty. More than 14 percent of all reservation homes don't have electricity; and 12 percent don't have access to a safe water supply. In some reservations as many as 20 people live together just to get by” (President Obama, Tribal Nations Conference, November 2009.)

A Census 2000 Special Report also indicated that American Indians and Alaska Natives were two times more likely to live below the poverty line and nearly three times as likely to receive public assistance compared to the total population. American Indians and Native Americans show lower levels of educational attainment than the general population and all other minority groups besides Hispanics/Latinos. Approximately twenty-three percent of American Indians and Alaska Natives ages 25 and over did not complete high school compared to 15.4 percent of the general population. Only 12.6 percent of American Indians and Alaska Natives have at least a bachelor’s degree, which is less than half the percentage of the general population. American Indians and Alaska Natives continue to be under-represented in the fields of business, communication technology, computer and information science, and engineering and engineering technologies, all high paying fields expected to experience rapid growth in the years ahead (Census 2000 Special Report, American Indian and Alaska Native in the United States, February 2006).

Reducing the education and employment disparity between Indian and Native Americans and other groups requires a concentrated effort that targets this group and provides assistance that enhances education and employment opportunities, creates pathways to careers and skilled employment, and helps this indigenous community become and remain a part of the middle class. The WIA, Section 166 Indian and Native American Program specifically addresses the

INDIAN AND NATIVE AMERICANS PROGRAM

training and employment needs of Indians and Native Americans throughout the United States. In fact, the WIA Section 166 program is the only federal employment and job training program that serves Indian and Native Americans who reside both on and off reservations. For Indian and Native Americans living on remote reservations or Alaskan villages, it is difficult to access the State and local workforce systems. In these areas, the WIA Section 166 program is the sole employment and training provider.

The WIA Section 166 program serves American Indians and Native Americans through a network of 178 grantees through the Comprehensive Service Program (Adult) and Supplemental Youth Service Program (Youth) and the Indian Employment and Training and Related Services Demonstration Act of 1992, Public Law 102-477.

The goals of the WIA Section 166 program are: 1) developing more fully the academic, occupational, and literacy skills of Indians and Native Americans to make them more competitive in the workforce; and 2) promoting economic and social development in accordance with the goals and values of their communities.

Performance accountability provides a link between services and outcome results achieved. The program assesses performance and efficiency via the Office of Management and Budget's Common Performance Measures. The three common measures include the Entered Employment Rate, Retention Rate, and Average Earnings. These measures were implemented in Program Year (PY) 2006, and assess the core purposes of all programs operated by the workforce investment system: did customers find jobs, did they stay employed, and what do they earn. WIA section 166 program tracks performance outcomes using the Management Information System (MIS) Bear Tracks

From July 1, 2009 to March 30, 2010, the WIA Section 166 program served 32,986 participants. However, the economic downturn and higher unemployment rates have impacted program performance. The Entered Employment and Employment Retention rates declined in PY 2010, to 56 percent and 73 percent respectively. In contrast, the Average Earnings increased by \$42 compared to a year ago.

Illiteracy and socio-economic conditions continue to hinder the ability of American Indians and Native Americans to obtain and retain employment, and compete in a competitive labor market. Intensive training and support services are needed to enhance worker skills and help American Indians and Native Americans succeed in a knowledge-based economy.

The 21st Century global economy will require greater skills and education levels as good paying jobs shift from manufacturing occupations to knowledge and service-based occupations. Occupations that require postsecondary education are expected to account for nearly half of all new jobs from 2008 to 2018 (Bureau of Labor Statistics, U.S. Department of Labor, Employment Projections - 2008/2018, News Release 2009).

Preparing American Indian and Native American workers for good jobs requires that the WIA Section 166 program focus on helping this indigenous group overcome a multitude of barriers to

INDIAN AND NATIVE AMERICANS PROGRAM

employment, provide additional opportunities for education and work experiences, and target assistance towards skills needed to secure good jobs-especially in high-growth industries.

The WIA Section 166 program will focus on educating and training American Indians and Native Americans in occupations with growth potential and occupations that meet the unique needs of their tribal communities and local employers. The WIA Section 166 grantee community will provide the employment and training services that address the cultural needs of this indigenous population.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$53,696	0
2008	\$52,758	0
2009	\$52,758	0
2010	\$52,758	0
2011	\$0	0

NOTE: A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

WIA Section 166 authorizes grant funding to Indian tribes, Alaskan Natives, Native Hawaiians, and tribal non-profits organizations on a competitive basis; however, grantees selected from this process are funded on a formula based on provisions defined in WIA. A grant competition is conducted every two years to select Indian and Native American entities to administer and manage WIA Section 166 grants to provide employment and training services to unemployed and low income Indian and Native Americans. The next competition will be conducted in FY 2012.

FY 2012

To meet the employment and training needs of the Indian, Native American, Alaskan Natives and Native Hawaiian population in FY 2012, the Department requests \$54,158,000 for the WIA Section 166 Indian and Native American Program. At this funding level, which is a \$1,400,000 increase from the FY 2010 enacted level, the program will serve approximately 25,376 unemployed, under-employed and under-skilled Indian and Native American adults and youth.. For FY 2012, the Department has set an entered employment target of 55.3 percent, an employment retention rate of 70 percent, and average earnings target of \$9,575.

To achieve those goals, the program will focus primarily on two strategies: 1) providing Indian and Native American program participants with “career pathways” to increase the academic, occupational, and literacy skills that prepare them to succeed in a knowledge-based job market; and 2) promoting the economic and social development of participants in accordance with the goals and values of their communities.

To help grantees implement these strategies, the Department will set aside one percent of funding for training and technical assistance (TAT). TAT funding will support projects such as,

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but not limited to: 1) partnerships and collaborative efforts with other Federal agencies to help Indian and Native American communities leverage the full range of resources available to support their employment and training needs; 2) the maintenance of the Native American on-line Community of Practice, which allows grantees to share employment and training best practices for this community; 3) peer-to-peer grantee technical assistance to improve program design and implementation; 4) training for new program directors to ensure proper program management; and 5) the development of curricula for grantee use.

The overall priorities for the WIA Section 166 Program participants in FY 2012 are:

- Increase skills and knowledge, through education, for underemployed Indian and Native Americans who participate in the program,
- Implement and provide training on priority of service for Indians and Native American veterans and eligible spouses,
- Increase employment and training opportunities for Indians and Native Americans,
- Establish career paths into middle-class jobs,
- Increase program effectiveness, through the use of information technology, and
- Increase compliance and technical assistance.

FY 2011

Figures shown for FY 2011 reflect the annualized Continuing Resolution level as a full-year appropriation has not been enacted at the time the budget was produced. Since this level is based on the FY 2010 enacted level, operations under a full-year Continuing Resolution would be consistent with those described in the FY 2010 section.

FY 2010

In FY 2010, a total of \$52,758,000 was enacted for the INA program. This is the same amount provided in FY 2009. ETA utilized these funds to prepare Indian and Native American workers for good jobs. The WIA Section 166 grants provided funding to assist Indian and Native American adults and youth to overcome a multitude of barriers to employment and provide additional opportunities for education and work experiences.

One percent of Section 166 funds were set-aside to fund Training and Technical (TAT) efforts. In PY 2010, the INA program devoted this TAT funding for projects such as, but not limited to: 1) partnerships and collaborative efforts with other Federal agencies and local workforce boards and the One-Stop Career Center system; 2) establishment and maintenance of the program's on-line Community of Practice; 3) enhancements to the BearTracks performance reporting system; 3) Veteran's Priority of Service; and 4) peer-to-peer technical assistance. Additionally, ETA focused on educating and training Indian and Native Americans in occupations with significant growth potential and occupations that meet the unique needs of their tribal communities and local employers.

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ETA's overall priorities for the INA program in FY 2010 included:

- Increase program effectiveness;
- Improve performance outcomes;
- Coordinate with the local workforce investment boards and One-Stop Career Centers; and
- Implement Veteran Priority of Service.

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DETAILED WORKLOAD AND PERFORMANCE				
	PY 2009	PY 2010	PY 2011	PY 2012
	Result	Target	Target	Target
Indian and Native American Programs				
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.1 – Increase workers’ incomes and narrow wage and income inequality.	--	--	--	--
Average Earnings in the second and third quarters	\$9,853.00	\$9,261.00	\$9,363.00	\$9,575.00
Participants Served	32,986	25,000	26,196	25,376
Cost Per Participant Served	\$1,279.00	\$1,717.00	\$1,717.00	\$1,717.00
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.3 – Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	--	--	--	--
Percent of participants employed in the first quarter after exit	56.00%	53.40%	54.00%	55.30%
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.4 – Help middle-class families remain in the middle class.	--	--	--	--
Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit	73.00%	69.50%	69.60%	70.00%

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

Workload and Performance Narrative

Performance accountability provides a link between services and outcome results achieved. The program assesses performance and efficiency through the common performance measures. The three common measures include the Entered Employment Rate, Retention Rate, and Average Earnings. From July 1, 2009 to June 30, 2010, the program served 32,986 participants. The *target* for entered employment increased from 53.4 percent in FY 2010 to 55.3 percent in FY 2012; the *target* for employment retention also increased from 69.5 percent in FY 2010 to 70.0 percent in FY 2012; and the *target* for average earnings slightly increased from \$9,261 in FY 2010 to \$9,575 in FY 2012.

The FY 2010-2012 targets for entered employment, employment retention and average earnings are based on a methodology developed by DOL for setting national performance targets using regression analysis. The methodology utilizes a regression model to estimate the magnitudes of the responses of employment and training program outcomes to the effects of the business cycle and labor market conditions. The adjusted targets are produced using program results from the prior year, the responses of the various program outcomes with respect to the condition of the labor market and OMB’s projections of the unemployment rate matched to the timeframe pertinent to the particular program outcome being considered. The methodology results in performance targets that reflect the expected impact of the economic environment on program

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performance. Targets for the average earnings measure have been adjusted to correct for inflation using OMB assumptions regarding the consumer price index. The data used to create the targets come from the Workforce Investment Act Standardized Record Data (WIASRD), OMB and the Bureau of Labor Statistics (BLS) and are updated on an annual basis.

WIA Section 166 also employs two output measures: number of participants and cost per participant. Results for the workload measures are tied to program funding: the expected number of participants increases or decreases in relation to appropriation levels, as cost per participant remains constant at \$1,717. In FY 2012, the program is requesting roughly \$1.4 million more in resources compared to FY 2010 enacted level. As a result the program is project to serve 25,376 participants, or 376 more participants than the program is projected to serve in FY 2010. It is worth noting that approximately \$9 million is transferred to the U.S. Department of the Interior as part of a demonstration project authorized under the Indian Employment and Training and Related Services Demonstration Act of 1992 (Public Law 102-477), and are deducted from the total appropriation when calculating workload data. Participant data were derived by using PY 2009 WIA Section 166 Quarterly Reports, which accounts for all PY quarters. All numbers are based on a rolling four quarter basis.

To achieve its FY 2012 performance goals, WIA Section 166 grantees provide employment and training services to American Indian and Native American adults and youth residing on reservations, Alaskan or Hawaiian villages, or in urban areas. The management and operation of WIA Section 166 grantee programs are based on the laws, regulations, and departmental guidance governing the national program.

Annually, 178 WIA Section 166 adult awards and 78 youth awards are managed by Federal Project Officers (FPO) at the national office. The grants are monitored using the E-Grants and Grants Management Systems (GEMS), to track program compliance and grantee performance. In addition, onsite monitoring visits are conducted to evaluate specific strategies to support goal achievement. The WIA Section 166 program also facilitates trainings at the national and regional grantee conferences. Onsite visits and feedback from grantees are used to revise and update strategic plans and develop best practices for this indigenous community.

Such monitoring informs the design and delivery of technical assistance to improve performance. As part of program monitoring, the WIA Section 166 program looks at the following system outputs:

- obligation and expenditures;
- number of American Indians and Native Americans served;
- number of American Indians and Native Americans that received training;
- number of American Indians and Native Americas that received a high school diploma, general education diploma (GED), certificate, or degree;
- number of American Indian and Native Americans placed in jobs or enter the military; and
- number of American Indian and Native Americans that received intensive supportive services.

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These outputs are used to inform the Department on the extent to which the grantees are implementing strategies that will help them meet their outcome goals.

The Department is currently managing an evaluation of Indian and Native American youth services. The results of this evaluation are expected in February 2011 and will be used to improve program implementation and service delivery strategies for this population under this program.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
41.0	Grants, subsidies, and contributions	52,758	52,758	54,158	1,400
	Total	52,758	52,758	54,158	1,400

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CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Grants, subsidies, and contributions \$0

Built-Ins Subtotal \$0

Net Program \$1,400

Direct FTE 0

Estimate FTE

Base \$52,758 0

Program Increase \$1,400 0

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Diff. FY 12 Req. / FY 10 Enacted
Budget Authority	84,620	84,620	86,620	2,000

Introduction

The National Farmworker Jobs Program (NFJP) prepares migrant and seasonal farmworkers for good jobs in the following ways:

- The program helps farmworkers who are, by definition, in low-wage jobs or out of the labor market, by providing training to increase their skill level and offering supportive services to diminish the impact of employment barriers.
- The program increases workers’ incomes and narrows wage and income inequality by providing a unique array of employment and training services to a hard-to-serve population.
- The program helps farmworkers enter into and/or remain in the middle class by offering them and their dependents services that help them attain stable, good-paying, year-round jobs.

The agricultural industry is characterized by a large workforce with numerous job openings, chronic unemployment and underemployment (due to the cyclical nature of the work), and below average pay. According to the Bureau of Labor Statistics (BLS), “Job opportunities for agricultural worker occupations should be abundant because large numbers of workers leave these jobs due to their low wages and physical demands.” Migrant and seasonal farmworkers (MSFWs) whose livelihood is primarily derived from agricultural employment experience the chronic unemployment and underemployment inherent in the industry and are also faced with additional, significant barriers to employment. These include low levels of education (average 7th grade attainment: National Agricultural Workers Survey (NAWS)); poor English skills, (44 percent no spoken English skills, 53 percent no written English skills (NAWS)); inferior housing and few assets to sustain them through a period of retraining (Evaluation of the JTPA Title IV Migrant and Seasonal Farmworker Program. Research and Evaluation Report Series 94-A, U.S. Department of Labor, Employment and Training Administration, 1994).

The cyclical nature of agricultural work leads MSFWs to seek off-season work in industries that require similar skill sets. According to the NAWS, 19 percent of agricultural workers reported holding at least one non-farm job in the 12 months prior to the interview. Because MSFWs qualify only for labor-intensive positions in industry sectors such as construction, they are prime candidates for dislocation in periods of economic stagnation. This phenomenon presents an exponential challenge to farmworkers, who do not qualify under most unemployment benefit programs. For example, in California, with the largest MSFW population in the U.S., the seasonally adjusted unemployment rate is 12.3 percent, (BLS, June 2010) outpacing the national average by 2.6 percent (U.S. Department of Labor). Fresno County, the highest agricultural producing county by crop output value (\$5.67 billion: California Farm Bureau Federation), has a non-seasonally adjusted unemployment rate of 16.9 percent (BLS, June 2010).

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NFJP provides job training and employment assistance for MSFWs and their dependents to counter the impact of the chronic unemployment and underemployment experienced by MSFWs, and to help them prepare for jobs that provide stable, year-round employment both within and outside agriculture. Services include classroom and on-the-job training, as well as some supportive services such as nutrition, health, child care and temporary shelter.

In providing services to MSFWs, the NFJP must take into account factors beyond those normally considered by the public workforce system. One such factor is the migration pattern of MSFWs. Most migration patterns are predictable on an annual basis and often cross state lines. Biennial grants are distributed via the program to 52 state service delivery areas across the U.S., except in Alaska and the District of Columbia, with five in California and one in Puerto Rico. In order to respond to the migration patterns of farmworkers, the NFJP encourages cooperation among service delivery areas and with other partners in the workforce system.

The NFJP uses specific outreach and service delivery methods to serve participants who would otherwise not be able to take advantage of services offered through the existing network of One-Stop Career Centers. However, services are coordinated with the One-Stop Career Center delivery system to ensure that farmworkers can take full advantage of the suite of services available to them. Because of the specific, targeted outreach that the program provides, the program is able to reach a long-term disadvantaged population with extensive barriers to employment.

The mobility of the farmworker population creates additional challenges for their families. Minors who accompany families in search of work have an inherent educational disadvantage. The NFJP offers services to equalize the educational opportunities of children in comparison with their non-agriculture dependent peers, since the program also serves dependents of MSFWs. "Farmworkers may have little or no experience outside of agriculture... [therefore] employment and training programs must be equipped to address the needs of the whole person, and indeed the whole family, in order to improve the conditions of their participants" (Research and Evaluation Report Series 94-A). Although this report is dated, challenges faced by MSFWs and their families have not diminished or changed considerably.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$79,752	0
2008	\$79,668	0
2009	\$82,620	0
2010	\$84,620	0
2011	\$0	0

NOTE: A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared.

MIGRANT AND SEASONAL FARMWORKERS

Funding Mechanism

WIA requires the Department to conduct a grants competition every two years to select the entities that will operate the NFJP. The grants competition is performed through a solicitation for grant applications. The competition is open to state agencies, local workforce investment boards, faith-based and community organizations, institutions of higher education, and other entities capable of delivering services on a statewide basis.

The total awarded dollars are distributed to the grantees based on an allocation formula that estimates the relative proportion of eligible farmworkers in each state. There is a grantee in every state except for Alaska; the District of Columbia is also not represented by a grantee. Because of the large number of agricultural workers, California is represented by a total of five grantees. In non-competition program years, each grantee is required to submit an annual grant plan for the coming year. Minimum criteria for the content of these plans are contained in a Training and Employment Guidance Letter (TEGL) issued to all grantees. Awards are given in non-competition years based on availability of funds.

FY 2012

To address the significant barriers to employment experienced by MSFWs in FY 2012 the Department requests funds to fully operate the NFJP in all the state service areas that currently receive a funding allocation. Therefore, the Department is requesting \$86,620,000 for FY 2012 to fund the WIA Section 167 National Farmworker Jobs Program. These funds, which represent an increase of \$2,000,000 over the 2010 enacted level, will serve approximately 18,283 participants with core, intensive, training, and related assistance services. The Department has set the performance goals of the program as follows: Entered Employment Rate: 80.04 percent, Employment Retention Rate: 70.70 percent, and average earnings: \$8,842.00.

In order to meet these targets, the Department will encourage a number of strategies established through the competitive grants process conducted in 2011:

- Better align the program with other strategies developed for the public workforce system to achieve better integration of services for farmworkers.
- Emphasize improved earnings and increased rates of credential and educational attainment, as specifically targeted via the solicitation.
- Support the program operators selected through the grants competition through technical assistance and infrastructure investments that enable the program to operate efficiently.

These strategies are in support of the Department's Strategic Goal 1: Prepare workers for good jobs and fair compensation, and the outcome goals of increasing workers' incomes and narrowing wage inequality; 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; and helping workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.

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Technical assistance, an important component for implementing the strategies, will be provided in the following areas:

- Policy and programmatic support in forming partnerships leading to increased training opportunities offered through the One-Stop Career Centers.
- Capacity building for grantees to form partnerships with community colleges and technical schools that offer educational opportunities in emerging industries.
- Fostering communication between grantees that have successfully accessed other DOL funding opportunities with those having similar needs.
- Working in cooperation with the regional offices to enhance performance management, accountability, and reporting.

The Department will continue to focus the NFJP on improved outreach and recruitment strategies that target new employers and emerging industry sectors in order to provide improved job placement opportunities for farmworkers both within and outside of the agriculture sector. This is necessary because the migratory nature of the MSFW population requires special outreach and recruitment efforts to ensure that farmworkers are aware of the education and training services available to them. These outreach efforts also ensure that connections are made to the full suite of those workforce resources.

Of the total resources requested, \$80,710,000 would be for formula grants (of which not less than 70 percent shall be for employment and training services), \$5,400,000 is for migrant and seasonal housing (of which not less than 70 percent shall be for permanent housing), and \$510,000 is for other purposes.

FY 2011

Figures shown for FY 2011 reflect the annualized Continuing Resolution level as a full-year appropriation has not been enacted at the time the budget was produced. Since this level is based on the FY 2010 enacted level, operations under a full-year Continuing Resolution would be consistent with those described in the FY 2010 section.

FY 2010

The NFJP's activities in FY 2010 focused on improving and enhancing the capacity of grantees in the areas of outreach and recruitment to employers and to eligible farmworkers, and on developing strategies leading to employment opportunities for farmworkers in emerging industries, including green jobs. ETA received \$84,620,000 in FY 2010 for the NFJP, an increase of \$2,000,000 above the amount that was appropriated in FY 2009. As required by the Consolidated Appropriations Act of 2010, \$78,410,000 was allocated for formula grants, \$5,700,000 for housing assistance activities, and \$510,000 for other discretionary purposes, including funding for a MSFW Labor Rest Center. This funding enabled the NFJP program to serve over 20,000 eligible migrants and seasonal farmworkers.

In FY 2010, ETA continued to provide technical assistance to the NFJP in support of continued integration of services to farmworkers. This technical assistance complemented grantee efforts

MIGRANT AND SEASONAL FARMWORKERS

to improve outreach to employers and to eligible farmworkers in order to better connect farmworkers to the services that they need in the areas where they live and work. Due to the migratory nature of the MSFW population, special outreach efforts were needed to ensure connections were made to the full suite of employment and training resources. Efforts to recruit new employers and thereby expand employment opportunities for farmworkers progressed slowly; this hard-to-serve population has extensive barriers to employment and career advancement, including lack of English language skills, lack of education, and soft skill limitations (NAWS). These barriers limited the program's ability to expand employer networks as the economic downturn continued.

In addition to focusing on outreach and recruitment, the NFJP also began implementing strategies to expand employment opportunities for farmworkers in emerging industries, including green jobs. These strategies included grantee to grantee technical assistance, dissemination of information to grantees, meetings and conferences. Training and employment opportunities were developed for hazardous waste clean up, wind energy technicians, electrical linemen, and solar panel installation.

MIGRANT AND SEASONAL FARMWORKERS

DETAILED WORKLOAD AND PERFORMANCE				
	PY 2009	PY 2010	PY 2011	PY 2012
	Result	Target	Target	Target
Migrant and Seasonal Farmworkers				
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.1 – Increase workers’ incomes and narrow wage and income inequality.	--	--	--	--
Average earnings in the second and third quarters after exit	\$9,050.00	\$8,561.00	\$8,654.00	\$8,842.00
Participants	21,277	17,833	17,833	18,283
Cost Per Participant	\$3,605.00	\$4,633.00	\$4,633.00	\$4,633.00
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.3 – Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	--	--	--	--
Percent of participants employed in the first quarter after program exit	80.70%	79.40%	79.70%	80.40%
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.4 – Help middle-class families remain in the middle class.	--	--	--	--
Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit	74.90%	70.00%	70.10%	70.70%

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

Workload and Performance Narrative

DOL measures performance in the NFJP program based on three interrelated outcomes: entered employment (80.40%), employment retention (70.70%), and average earnings (\$8,842). The training and employment services delivered through the NFJP program are designed to address all three outcomes. Program grantees target their service delivery strategies to the specific needs of the MSFW population in their state service areas and the needs of employers in those areas. DOL provides policy and programmatic guidance to help grantees identify strategies that are beneficial in improving successful employment outcomes for this hard-to-serve population in the current economy. In the FY 2012 section, the Department outlines a number of specific strategies to achieve the performance targets for the NFJP program in the current economic environment, again taking into account the multiple barriers to employment experienced by the MSFW population.

The FY 2010-2012 targets for entered employment, employment retention and average earnings are based on a methodology developed by DOL for setting national performance targets using regression analysis. The methodology utilizes a regression model to estimate the magnitudes of the responses of employment and training program outcomes to the effects of the business cycle and labor market conditions. The adjusted targets are produced using program results from the prior year, the responses of the various program outcomes with respect to the condition of the

MIGRANT AND SEASONAL FARMWORKERS

labor market and OMB's projections of the unemployment rate matched to the timeframe pertinent to the particular program outcome being considered. The methodology results in performance targets that reflect the expected impact of the economic environment on program performance. Targets for the average earnings measure have been adjusted to correct for inflation using OMB assumptions regarding the consumer price index. The data used to create the targets come from the Workforce Investment Act Standardized Record Data (WIASRD), OMB and the Bureau of Labor Statistics (BLS) and are updated on an annual basis.

DOL will monitor grantee performance regularly through Federal Project Officers in our regional offices to ensure they are on target to meet performance goals. Such monitoring informs the design and delivery of technical assistance to improve performance. As part of program monitoring, DOL looks at the following system outputs:

- amount of money spent,
- number of people served by the program, and
- number of people who received training.

These outputs help DOL understand whether grantees are implementing strategies that will help them meet their outcome goals.

In addition to outcomes, the Department also uses two workload measures for the NFJP: number of participants and cost per participant. Results for the workload measures are tied to program funding - the expected number of participants increases or decreases in relation to appropriation levels, as cost per participant remains constant at \$4,633.

Participant data is based on quarterly report estimates. All numbers are based on a rolling four quarter basis.

MIGRANT AND SEASONAL FARMWORKERS

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
41.0	Grants, subsidies, and contributions	84,620	84,620	86,620	2,000
	Total	84,620	84,620	86,620	2,000

MIGRANT AND SEASONAL FARMWORKERS

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Grants, subsidies, and contributions \$0

Built-Ins Subtotal \$0

Net Program \$2,000

Direct FTE 0

Estimate FTE

Base \$84,620 0

Program Increase \$2,000 0

YOUTHBUILD

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Diff. FY 12 Req. / FY 10 Enacted
Budget Authority	102,500	102,500	115,000	12,500

Introduction

The YouthBuild program aligns with the Secretary’s goals of preparing workers for good jobs and assuring the skills and knowledge that prepare workers to succeed in a knowledge-based economy. YouthBuild specifically targets at-risk, high-school dropouts who are particularly vulnerable in the current economy.

America’s youth and young adults are facing three challenges today that, if unaddressed, will have long-term negative consequences for our nation: record youth unemployment; a high school dropout crisis; and a shift to a knowledge and service-based economy, requiring greater levels of skills and education. According to the U.S. Department of Labor’s Bureau of Labor Statistics’ (BLS), in 2010, youth unemployment hit its highest July rate since records began in 1948. BLS also reported that July, the traditional summertime peak for youth employment, set a record low employment rate. In July 2010, the rate of unemployment for teens 16 to 19 years old had increased to 26.1 percent from 24.5 percent a year earlier. The data also showed the employment rate had dropped dramatically for teens from 28.6 percent in July 2009 to 25.6 percent in July 2010. In addition, the labor force participation rate dropped from 37.9 percent to 34.6 percent during that same time period.

The nation also faces increased challenges in economic competitiveness in this 21st Century global economy as the dropout crisis worsens. According to the Urban Institute, high school graduation rates are low for all students, with only an estimated 68 percent of those who enter 9th grade graduating with a regular diploma in the 12th grade. They are substantially lower for most minority groups, and particularly for males. The Center for Labor Market Studies at Northeastern University suggests that these young dropouts experience a wide array of labor market, earnings, social and income problems that exacerbate their ability to transition to careers from their mid-20s onward (Holzer, Harry et al 2003. “Barriers to Employment for Ex-Offenders” paper presented at the Reentry Roundtable, Sponsored by the Urban Institute, New York University, May 21-23).

While too many youth are not completing high school, jobs paying family sustaining wages increasingly require a post-secondary degree. In its 2009 Employment Projections, BLS reported that occupations that usually require a post-secondary degree are expected to account for nearly half of all new jobs from 2008 to 2018. In addition, projected employment growth is concentrated in the service-providing sector requiring young people to have strong work readiness skills - particularly those “soft skills” such as communication, team-work, customer service and problem-solving skills.

Given the challenges facing today’s youth, employment and training programming for youth is critical to the current and future well-being of our nation and its youth and young adults. The

YOUTHBUILD

YouthBuild program addresses these issues by providing significant academic and occupational skills training, and leadership development to youth ages 16-24. YouthBuild provides services to approximately 7,000 youth annually by re-engaging them in innovative alternative education programs that provide individualized instruction as they work towards earning either a GED or high school diploma. Many of these youth, buoyed by their academic success in the YouthBuild program, continue on to post-secondary education. A person's level of education is a predictor of earnings - in general, the more education, the greater the earning potential. The U.S Census Bureau's American Community Survey 2008 report cites the median earnings of men who were not high school graduates as \$22,524. Median earnings were higher for male high school graduates (\$32,462) and higher still for men with some college or an associate's degree (\$40,883). Men who completed college and received a bachelor's degree earned a median of \$56,798. The highest median earnings among education groups, \$76,470, were for men with a graduate or professional degree. Women who did not complete high school reported median earnings of \$14,051 in the same survey, while women who graduated from high school earned \$21,031. Attending but not completing college, or receiving an associate's degree, resulted in median earnings of \$26,869 while women who completed a bachelor's degree had median earnings of \$38,216. As with men, women who received a graduate or professional degree earned the most, \$50,483.

What makes the academic program successful is the link to the occupational skills training. Youth alternate between the classroom and the worksite where they learn construction skills while building affordable housing in their communities. YouthBuild programs make explicit links between what is being done at the worksite and what is being taught in the classroom through project-based learning. This linkage makes the academics relevant and engaging for non-traditional learners. Edutopia, a non-profit founded by filmmaker George Lucas, found that a growing body of academic research supports the use of project-based learning in schools as a way to engage students, cut absenteeism, boost cooperative learning skills, and improve test scores (Edutopia Staff, 2001. "PBL Research Summary: Studies Validate Project-Based Learning." Edutopia, The George Lucas Educational Foundation). It is shown to be effective in building deep content understanding, raising academic achievement and encouraging student motivation to learn. The work experience coupled with the award of an industry-recognized certificate increases their opportunities for post-program employment.

YouthBuild addresses the challenges faced by unemployed, high-school dropouts by providing them with an opportunity to gain both the education and occupational skills that will prepare them for good jobs with good wages.

YOUTHBUILD

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$49,500	0
2008	\$58,952	0
2009	\$70,000	0
2010	\$102,500	0
2011	\$0	0

NOTE: A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

The funds appropriated for YouthBuild are authorized by the YouthBuild Transfer Act of 2006 and are awarded through grant competition. The Department of Labor (DOL) ended the incremental funding approach that had been used for the YouthBuild program in the first two award cycles. Incremental funding utilized the current fiscal year appropriation to fund the first year of the YouthBuild grant awards and the next fiscal year appropriation to fund the second year of the YouthBuild grant awards. The new approach will result in fewer grants being awarded each year, but will also result in yearly competitions. DOL will continue to fund programs for two years of program operation and one year of follow-up.

FY 2012

In FY 2012, DOL's YouthBuild program will provide education and occupational skills training for approximately 7,140 drop-outs by providing participants with a clear path into a chosen career field; supporting youth in obtaining educational and industry-recognized credentials; and preparing participants for post-secondary education, apprenticeships, and employment.

Providing solid and responsive customer service to grantees is a key aspect of the Department's administration of the YouthBuild program. The Department provides comprehensive technical assistance designed to be responsive to YouthBuild grantee needs and to improve program outcomes. Technical assistance funding is required as part of the YouthBuild Transfer Act legislation and is five percent of the total appropriation. These program funds are used to improve the overall implementation of the YouthBuild program and increased performance as is demonstrated in the FY 2010 performance table. Because of the continued upward trend in performance, DOL believes that the technical assistance utilized with the YouthBuild program has been successful. This includes the development of electronic tools and e-learning opportunities, national learning exchanges, and regional peer-to-peer events. In FY 2012, DOL will focus its efforts on building the overall quality of existing programs through established technical assistance efforts.

Partnerships are increasingly important to successfully meeting the strategic goals and ensuring that available resources are used efficiently. DOL will continue its work with the Office of Federal Contract Compliance Program (OFCCP) on both a national and regional level to create

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employment opportunities for YouthBuild participants. Other partnership efforts will include a continued focus on developing and maintaining solid connections to community colleges and apprenticeship programs. These connections will assist YouthBuild participants in receiving additional education and training after they have exited the program and will increase their ability to enter high-wage careers. DOL continues to work closely with the Occupational Safety and Health Administration (OSHA) to provide technical assistance and resources to grantees to ensure the safety of the YouthBuild participants on the work site. DOL will continue to work with the National Office of Apprenticeship on creating strong connections to Registered Apprenticeships for YouthBuild participants. The number of YouthBuild participants who have transitioned into Registered Apprenticeships continues to increase despite the downturn in the economy as a result of the Department's efforts in this area. Since 2009, the number of YouthBuild participants entering registered apprenticeship has more than doubled. The Department provides technical assistance to YouthBuild programs on an ongoing basis to ensure youth are trained in energy efficiency, renewable energy and the use of sustainable green building techniques. This training is designed to provide youth with the skills they need to become part of the new green economy.

To assist youth who have dropped out in building the skills necessary to acquire long-term, well-paying career employment, DOL requests \$115,000,000 for the YouthBuild program, of which \$109,250,000 will be used to fund grant awards to approximately 105 programs that will serve approximately 7,140 youth over a two-year period. Six million dollars will be used to support the technical assistance described above. DOL will host a competition for these funds in the Fall of 2011 with funds awarded in Spring 2012.

FY 2011

Figures shown for FY 2011 reflect the annualized Continuing Resolution level as a full-year appropriation had not been enacted at the time the budget was produced. Since this level is based on the FY 2010 enacted level, operations under a full-year Continuing Resolution would be consistent with those described in the FY 2010 section.

FY 2010

In FY 2010, DOL received an appropriation of \$102,500,000 for the YouthBuild program. After funding the required five percent technical assistance set-aside of \$5,125,000 and second-year continuation funding to FY 2009 grantees of \$66,678,354, the remaining balance was \$30,696,646. DOL held a competition in fall 2010 that combined the balance of FY 2010 funds with FY 2011.

The FY 2010 funds will be awarded in early 2011 and are reserved for awards to organizations that did not receive funding in the FY 2009 YouthBuild competition. Approximately 28 awards will be made. Programs funded in the 2010 competition will begin enrolling participants into the program in September 2011.

DOL continued to improve the outcomes for YouthBuild participants. Despite a difficult economy, YouthBuild programs placed 41 percent of their youth in education or employment.

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In FY 2010, DOL had collected sufficient data from YouthBuild grants awarded in October 2007 to analyze performance outcomes and to develop strategies for improvement. These outcomes included placement in employment, education or long-term training; attainment of a degree or certificate; and literacy and numeracy gains. YouthBuild also collects information on placement retention and, where applicable, recidivism rates. Technical assistance targeting placement in employment and education was intensified during FY 2010, with the intention of raising performance outcomes, particularly for programs that were in their second cycle of DOL YouthBuild awards and where early results demonstrated the need for improvement.

These measures were implemented in 2007 with the first round of YouthBuild grants. In FY 2009, there was sufficient data from the original grantees to set baseline goals for these measures and DOL began tracking programs against these baseline targets. The table included below demonstrates the progress made by the 2007 grantees in improving their performance for the youth common outcome measures:

Period Ending	Placement in Education or Employment	Credential Attainment	Literacy /Numeracy Gains
June 30, 2009	30.49%	46.22%	33.43%
June 30, 2010	41.44%	58.08%	48.02%

Comprehensive technical assistance is provided to all grantees and is designed to be responsive to YouthBuild grantee needs and to improve program outcomes. This includes the development of electronic tools and e-learning opportunities, national learning exchanges, and regional peer-to-peer events. Beginning in 2010, through its YouthBuild technical assistance contract, DOL provided a “coach”, a youth development content expert, to each of its over 200 YouthBuild grantees. The coaching is designed to improve organizational leadership and services, which will lead to better program performance and outcomes for participants in DOL-funded YouthBuild programs. A particular area of concentration for the coaches has been to build basic expertise in program and financial administration.

DOL worked closely with the Office of Federal Contract Compliance Program (OFCCP) to identify and create pathways to employment for YouthBuild graduates. OFCCP is charged with enforcing affirmative action clauses that are part of all Federal contracts and, as part of that effort, connects companies with Federal contracts with community-based programs such as YouthBuild that provide occupational skills training and workforce development services. DOL gave presentations to field compliance officers on the YouthBuild program at several conferences and via Webinars and worked to develop relationships between YouthBuild program directors and the compliance officers.

Finally, in FY 2010, a contract was awarded for a random assignment evaluation of the YouthBuild program and preliminary design work for this evaluation began. The evaluation will measure the program’s impacts on participant’s employment and earnings compared to participants receiving WIA employment and education services. The evaluation will last seven years and the final report will be available in late 2017.

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DETAILED WORKLOAD AND PERFORMANCE				
	PY 2009	PY 2010	PY 2011	PY 2012
	Result	Target	Target	Target
Youthbuild				
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.1 – Increase workers’ incomes and narrow wage and income inequality.	--	--	--	--
Percent of participants deficient in basic skills who achieve literacy or numeracy gains of one Adult Basic Education (ABE) level	49.00%	52.40%	52.00%	51.10%
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.2 – Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in sectors like “green” jobs.	--	--	--	--
Percent of participants entering employment or enrolling in post-secondary education, the military or advanced training/occupational skills training in the first quarter after exit	42.00%	41.60%	41.70%	41.90%
Percent of youth who attain a diploma, GED, or certificate by the end of the third quarter after exit	58.00%	60.70%	60.00%	58.50%
Participants	9,558	7,890	6,375	7,140
Cost Per Participant	\$10,724.00	\$15,300.00	\$15,300.00	\$15,300.00

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

Workload and Performance Narrative

The YouthBuild program uses innovative strategies to support competitive grant projects including intensive, targeted technical assistance; a focus on partnerships to ensure resource alignment; and a strong focus on degrees and certificates. To support these strategies and ensure successful implementation of the grants, the YouthBuild program utilizes the Federal Common Performance Measures for Employment and Training Programs to assess program performance and improve accountability. These measures include placement in employment, education or long-term training; attainment of a degree or certificate; and literacy and numeracy gains. YouthBuild also collects information on placement retention and, where applicable, recidivism rates. The emphasis on improving young people’s literacy and numeracy skills and credential attainment will put youth on the path to be more successful in a knowledge-based economy.

During the transfer of the administration of the YouthBuild program from the U.S. Department of Housing and Urban Development (HUD), the Government Accountability Office (GAO) issued a report that recommended that the Secretary of Labor should “...develop and monitor post-program performance outcome measures for the YouthBuild program, such as the types of employment graduates attained and retained, wage rates, and degrees or certifications received, and share the data with the grantees.”²

² GAO Report to Congressional Committees: YOUTHBUILD PROGRAM: Analysis of Outcome Data Needed to

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The Department agreed with this recommendation and built a web-based management information system that collects individual data for all YouthBuild participants enrolled in the program. In addition, the Department also collects and reports quarterly on individual demographics, assessment information such as educational achievement, services, and outcomes including placement in employment/education, attainment of degree/certificate, retention rates, recidivism rates, wage rates, etc.

The proposed outcome goals for FY 2012 are to increase the rates for placement into education or employment, credential attainment, and literacy/numeracy by five percent over the rates achieved in FY 2011. To accomplish this, the Department will continue to utilize the coaching model of technical assistance delivery first introduced in FY 2010 as this has proven to be a successful way to not only deliver technical assistance but to identify promising and innovative practices that can be shared throughout the YouthBuild community. Coaching augments the Department's use of electronic tools such as the YouthBuild Community of Practice, e-learning modules, and Webinars, national learning exchanges, and regional peer-to-peer events.

Initial progress suggests that these technical assistance efforts have yielded improved performance outcomes. At the end of PY 2007, when technical assistance was just starting to be deployed, the rate of placement into education and employment was 16 percent, the credential attainment rate was 34 percent, and the literacy and numeracy gains rate was 13 percent. At the end of PY 2009, the outcomes show a rate of 41 percent placement in education and employment, 51 percent credential attainment, and 47 percent increase in literacy and numeracy gains. Specific technical assistance has been provided on the use of the data system which has resulted in increased and improved collection of data.

In addition to the technical assistance provided by the Department, the inherent design of the YouthBuild program, which integrates classroom and work site training, lends itself to increased performance for program participants. The integrated nature of the program demonstrates real world application of academics and makes learning relevant to the youth.

The FY 2010-2012 targets are based on a methodology developed by DOL for setting national performance targets using regression analysis. The targets are preliminary estimates which will be verified using a new regression formula developed for the YouthBuild program. Based on the expected cost per participant of \$15,300, we were projected to enroll 6,364 participants in PY 2009, as enrollment is calculated based on an annual appropriation. However, our programs do not operate on an annual basis. The difference between the FY 2010 target cost per participant, and participants served and the results are explained by the fact that youth enrolled in previous program years may continue to receive services in the current program year. The \$15,300 cost per participant is based on an average program length of nine months, the payment of stipends to participants, the equipment required for construction, and the number of staff required to create a small and supportive environment for the youth.

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DOL monitors the performance of YouthBuild grantees through the submission of Quarterly Performance Reports (QPR) that capture the data entered into the DOL supplied Case Management and Performance system. In addition to reporting on the long-term common measures, the QPR also provides interim measures including initial job placements, certificates awarded, and placements into post-secondary education or apprenticeship. YouthBuild grantees are also required to submit a quarterly narrative report which provides a detailed description of activities, promising practices, and challenges occurring during the quarter. The Department uses these reports to target technical assistance in response to challenges. Because the performance and interim measures are directly tied to the Secretary's strategic goals, the technical assistance provided ensures that grantees are able to prepare the youth for good jobs and for success in a knowledge-based economy.

The Department selected MDRC on June 30, 2010 to perform a random assignment impact evaluation of YouthBuild, which will produce preliminary findings in 2014 and a final report with long-term outcomes in 2017. MDRC is partnering with Mathematica Policy Research and Social Policy Research Associates. The results of this evaluation will inform future program design.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
41.0	Grants, subsidies, and contributions	102,500	102,500	115,000	12,500
	Total	102,500	102,500	115,000	12,500

YOUTHBUILD

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Grants, subsidies, and contributions \$0

Built-Ins Subtotal \$0

Net Program \$12,500

Direct FTE 0

Estimate FTE

Base \$102,500 0

Program Increase \$12,500 0

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	Change FY 12 Est. / FY 10 Actual
Budget Authority	114,026	125,000	125,000	10,974

Note: H-1B fees - This account is not appropriated.

To address the Secretary's goal of preparing workers for good jobs and ensuring fair compensation, the Job Training for Employment in High Growth Industries Grants are designed to provide training for workers according to need in different sectors of the economy. The funding for this program is provided from H-1B fees, which are authorized under Section 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 (P.L. 105-277, Title IV), as amended by P.L. 108-447 (codified at 20 U.S.C. 2916a). The fees are collected from employers when they file applications seeking to hire temporary foreign workers, as needed in occupations that require highly specialized knowledge. These authorized fees are available to the Department without appropriations by Congress and are primarily used to provide job training and related activities for workers to help them obtain or upgrade employment in occupations and industries that employ foreign workers with H-1B visas. The Secretary of Labor has discretion to make decisions regarding the types of grants that will be made with these funds.

Data collected by the Department about employers' applications for visas shows that employers continue to struggle to find workers in the U.S. that have the specialized skills needed for critical occupations in growing sectors including Information Technology, Engineering, Education, and Healthcare. For example, in FY 2009, the Department processed nearly 17,000 H-1B applications for Computer Systems Analysts and Computer Programmers, representing requests for certification of over 24,000 workers in these occupations. Such domestic worker shortages threaten employer competitiveness, as employers lack the critical human capital needed to produce their goods and services. When employers use H-1B visas to fill high skill job openings, American workers lose access to employment opportunities that can help them enter and remain in the middle-class.

The Department's long-term goal is to decrease the need for these visas by helping American workers develop the high level skills needed by these employers. The Department's ongoing dialogue with employers in demand sectors such as information technology, communication and broadband technology, advanced manufacturing, and health care and health information technology has confirmed that there are jobs in the United States that are going unfilled. Furthermore, moving workers up along a career pathway allows new entrants into the workforce who are just beginning their technical careers. The Department intends to support training and education models that directly lead to highly-skilled technical jobs.

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$134,199	0
2008	\$130,537	0
2009	\$111,000	0
2010	\$114,026	0
2011 Estimate	\$125,000	0

Note: H-1B fees - This account is not appropriated.

Funding Mechanism

These funds will be awarded competitively through one or more Solicitations for Grant Applications (SGAs).

FY 2012

The revenues from H-1B fees authorized for use by the U.S. Department of Labor are not subject to the Congressional appropriations process. To meet the training needs for high-growth industries and economic sectors, the Department will fund projects that: 1) target skills and competencies in demand by industries for which employers are using H-1B visas to hire foreign workers; 2) provide education/training for jobs currently available or job openings that are anticipated during the life of the grant; and 3) result in an employer- or industry-recognized credential. The Department will also encourage grantees to leverage resources to complement grant activities and sustain them once the grants have expired.

FY 2011

During FY 2011, DOL will use fees collected during FY 2010 in addition to fees available in FY 2011 to provide competitive grant opportunities to provide training and related activities to workers to assist them in gaining the skills and competencies needed to obtain or upgrade employment in the health care sector, which remains a growth sector.

The Department recently held discussions with information technology (IT) employers, key users of the H-1B visa program, to learn more about how DOL can support building a high-skilled American IT workforce, particularly through the Job Training for Employment in High Growth Industries Grants program. These discussions will inform the focus and development of the H-1B training grant solicitations that the Department will conduct in 2011.

Funding will be available for a broad array of job training activities focused on occupations for which employers use a majority of H-1B visas. Grant solicitations may target specific strategies, such as on-the-job training, and may be aimed at distinct populations, such as the long-term unemployed or low-wage workers. A portion of the grants awarded will support the Health Care Training Initiative in conjunction with Program Year 2010 Career Pathways Innovation Fund grants that will be awarded by June 30, 2011. The Initiative will define career pathways across

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

the health care sector, with a focus on assisting low-skill and low-wage workers into middle class jobs. In addition, in order to improve workers' incomes and narrow income inequalities, the initiative will target workers who have not traditionally advanced along health care career pathways.

The BLS projects that health care employers will generate 3 million new wage and salary jobs between 2006 and 2016, with the education and health services sector projected to grow by 18.8 percent, adding more jobs (nearly 5.5 million) than any other industry sector. Employment growth in the health care sector will be driven by significant increases in demand for health care and assistance because of an aging population and longer life expectancies. In addition, projected retirements for current health care workers will necessitate a pipeline of skilled individuals ready to enter health care occupations. The absence of qualified workers in this diverse sector threatens the quality and availability of medical care, and the economic stability and growth potential of local communities in rural, urban, and suburban areas. Moreover, the growing complexity of health care delivery, including changing technologies and the introduction of advanced medical devices, will require both incumbent workers and new entrants to continuously upgrade their skills. Although job opportunities exist for workers without extensive specialized training, most health care occupations require training leading to a vocational license, certificate, or degree.

Shortages of Registered Nurses (RNs), Licensed Practical Nurses (LPNs), Vocational Nurses, and Certified Nursing Assistants (CNAs), threaten the provision of quality care. The BLS projects that employment for RNs will grow faster than any other occupation through 2012. Acute workforce shortages and projected growth exist for allied health occupations, such as medical assistants, respiratory therapists, pharmacy technicians, diagnostic medical sonographers, paramedics, and radiological and other technicians. The BLS projects that by 2016, medical assistant occupations are expected to grow 35 percent, paramedic occupations are expected to grow by 19 percent, and radiological technicians by 15 percent. Finally, the demand for long-term health care services has begun to increase dramatically as regions across the country have started to experience significant demographic shifts. Currently, the American Health Care Association estimates that long-term care occupations represent 4.5 million workers. By the end of 2010, BLS projects that this workforce will expand by 800,000 jobs for direct care workers alone in long-term care settings.

In order to support the implementation of grants funded by these fees, including those that are part of the Health Care Training Initiative, DOL may use a portion of the available funds for providing technical assistance to the grantees, distributing best practices and lessons learned by grantees to other stakeholders, including the workforce system, and evaluating the grants.

FY 2010

FY 2010 was a period where fee revenue came in at a slower pace due to the economic downturn. The Department did not conduct any new competitions with these funds but instead made a strategic decision to hold the fees for use in job training programs that would be competed during FY 2011. During FY 2010, the Department continued to support, monitor and evaluate previously awarded competitive grants funded with H-1B fees, including those made

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

under the High Growth Job Training Initiative and the Workforce Innovations in Regional Economic Development (WIRED) initiatives.

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

DETAILED WORKLOAD AND PERFORMANCE				
	PY 2009	PY 2010	PY 2011	PY 2012
	Result	Target	Target	Target
Job Training for Employment in High Growth Industries				
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.1 – Increase workers’ incomes and narrow wage and income inequality.	--	--	--	--
Average earnings in the second and third quarters after exit	\$24,372.00	\$27,747.00	\$27,747.00	\$23,195.00
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.2 – Assuring skills and knowledge that prepares workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like “green” jobs.	--	--	--	--
Total Enrolled in Training	10,985	19,593	9,796	4,898
Total Completed Training	5,578	15,495	7,747	3,873
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.3 – Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	--	--	--	--
Percent of participants employed in the first quarter after exit	58.60%	59.00%	59.40%	59.80%
Strategic Goal 1 – Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.4 – Helping middle-class families remain in the middle class.	--	--	--	--
Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit	87.60%	92.70%	92.70%	90.30%

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

* PY 2009 results reflect the most current data available at this time.

Workload and Performance Narrative

These grants focus on DOL’s key system outcomes: 1) improved earnings; 2) keeping unemployed workers in the middle class; 3) increase employment in emerging industries; and, 4) increase rates of credential and education attainment. In order to address employers’ current workforce needs, DOL will require that grantees work closely with employers to target growth occupations with good wages based on current labor market information. In addition, grantees will be required to be specific skills and credentials the training programs will provide participants. DOL measures performance for these grants based on three interrelated outcomes: entered employment, average earnings, and employment retention. These common performance measures enable DOL to describe in a similar manner the core purposes and results across

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

grantees and the workforce investment system – how many people obtained a job, how many stayed employed, and their average earnings. H-1B funded grants have a focus on providing training and related activities in high growth industry sectors, but are used in different initiatives that may target varying strategies, types of training, and populations, making it difficult to translate potential performance across initiatives. Therefore, other grant specific metrics and outcomes may be identified based on the nature of the grant.

Targets are based on experience with the predecessor to these grants, the high growth job training grants. FY 2010 targets are based on the results for FY/PY 2009. Active HGJTI grants are ending each fiscal/program year, and the targets for PY 2011 and PY 2012 reflect a declining number of active grants. The decrease in the number of active grants explains why the targets for the total number of participants enrolled in training and total completed training decreases over time and as shown in the table.

The results for total enrolled in training and total completed training for FY/PY 2009 above reflect results for HGJTI grants that were active in FY/PY 2009, but have different periods of performance; some grants will be active in subsequent fiscal/program years. As a result, these results include data on individuals that were enrolled in training in FY/PY 2009, but will complete training in subsequent fiscal/program years. The completion rate for these grants should not be calculated by simply dividing the total number completed training by the total number enrolled in training for the results in that fiscal/program year.

FY 2012 Targets for Common Measures (average earnings, percentage of participants employed in the first quarter after exit, and percentage of participants employed in the first and second quarter after exit) are based off of the most recent results available as of December 31, 2009, for grants funded with H-1B visa fees. The Department expects that future targets will take into consideration the design and implementation approach of grant programs developed at the discretion of the Secretary and should reflect any program-specific measures that improve the quality of information available on the performance of such programs.

**JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH
INDUSTRIES**

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	Change FY 12 Est. / FY 10 Actual
41.0	Grants, subsidies, and contributions	114,026	125,000	125,000	10,974

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Grants, subsidies, and contributions

\$0

Built-Ins Subtotal

\$0

Net Program

\$0

Direct FTE

0