

FY 2012

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Program Administration

PROGRAM ADMINISTRATION

TABLE OF CONTENTS

Appropriation Language	1
Amounts Available for Obligation.....	2
Summary of Changes	3
Summary Budget Authority and FTE by Activity	6
Budget Authority by Object Class	7
Performance Structure	8
Detailed Workload and Performance.....	9
Appropriation History	11
Overview.....	12
Budget Activities	17
Adult Services.....	17
Youth Services	27
Workforce Security	33
Apprenticeship	41
Executive Direction	53

PROGRAM ADMINISTRATION

APPROPRIATION LANGUAGE

For expenses of administering employment and training programs, \$106,533,000, together with not to exceed \$53,349,000, which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund.

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.

PROGRAM ADMINISTRATION

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	506	\$97,516	506	\$97,516	553	\$106,533
Other Supplementals and Rescissions	0	\$0	0	\$0	0	\$0
Appropriation, Revised	506	\$97,516	506	\$97,516	553	\$106,533
<i>Subtotal Appropriation</i>	<i>506</i>	<i>\$97,516</i>	<i>506</i>	<i>\$97,516</i>	<i>553</i>	<i>\$106,533</i>
Comparative Transfer To:	0	\$0	0	\$0	0	\$0
Comparative Transfer From:	0	\$0	0	\$0	0	\$0
Offsetting Collections From:						
Reimbursements	4	\$1,063	4	\$1,028	4	\$1,028
Trust Funds	268	\$50,140	268	\$50,140	297	\$53,349
Fees	0	\$0	0	\$0	0	\$0
Unobligated Balance Carried Forward (ARRA)	226	\$50,010	0	\$0	0	\$0
<i>Subtotal Offsetting Collections From:</i>	<i>498</i>	<i>\$101,213</i>	<i>272</i>	<i>\$51,168</i>	<i>301</i>	<i>\$54,377</i>
B. Gross Budget Authority	1,004	\$198,729	778	\$148,684	854	\$160,910
Offsetting Collections						
Deduction:	0	\$0	0	\$0	0	\$0
Reimbursements	-4	-\$1,063	-4	-\$1,028	-4	-\$1,028
Fees	0	\$0	0	\$0	0	\$0
Unobligated Balance Carried Forward (ARRA)	-226	-\$50,010	0	\$0	0	\$0
<i>Subtotal Deduction</i>	<i>-230</i>	<i>-\$51,073</i>	<i>-4</i>	<i>-\$1,028</i>	<i>-4</i>	<i>-\$1,028</i>
C. Budget Authority Before Committee	774	\$147,656	774	\$147,656	850	\$159,882
Offsetting Collections From:						
Reimbursements	4	\$1,063	4	\$1,028	4	\$1,028
Fees	0	\$0	0	\$0	0	\$0
Unobligated Balance Carried Forward (ARRA)	226	\$50,010	0	\$0	0	\$0
<i>Subtotal Offsetting Collections From:</i>	<i>230</i>	<i>\$51,073</i>	<i>4</i>	<i>\$1,028</i>	<i>4</i>	<i>\$1,028</i>
D. Total Budgetary Resources	1,004	\$198,729	778	\$148,684	854	\$160,910
Unobligated Balance Expiring	-23	-960	0	\$0	0	\$0
Unobligated Balance Carried Forward (ARRA)	-36	-854	0	\$0	0	\$0
E. Total, Estimated Obligations	945	\$196,915	778	\$148,684	854	\$160,910

NOTE: FY 2010 Actual FTE includes 190 Recovery Act FTE.

PROGRAM ADMINISTRATION

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2011 Full Year C.R.	FY 2012 Request	Net Change
Budget Authority			
General Funds	\$97,516	\$106,533	+\$9,017
Trust Funds	\$50,140	\$53,349	+\$3,209
Total	\$147,656	\$159,882	+\$12,226
Full Time Equivalents			
General Funds	500	553	53
Trust Funds	274	297	23
Total	774	850	76

Explanation of Change	FY 2011 Base		Trust Funds		FY 2012 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	774	\$80,179	0	\$0	0	\$0	0	\$0
Personnel benefits	0	\$20,443	0	\$0	0	\$0	0	\$0
One day less of Pay	0	\$0	0	\$0	0	\$0	0	\$0
Federal Employees Compensation Act (FECA)	0	\$792	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$35	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$1,707	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$10	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$8,820	0	\$45	0	\$88	0	\$133
All Other Rental	0	\$12	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$1,252	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$450	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$4,037	0	\$0	0	\$0	0	\$0
Other services	0	\$770	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$14,542	0	\$0	0	\$0	0	\$0
Other government accounts (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other government accounts (DHS Charges)	0	\$1,214	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$200	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$9,918	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$1,050	0	\$0	0	\$0	0	\$0

PROGRAM ADMINISTRATION

SUMMARY OF CHANGES

(Dollars in Thousands)

Equipment	0	\$2,185	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$40	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	774	+\$147,656	0	+\$45	0	+\$88	0	+\$133
B. Programs:								
To provide funding for 18 staff supporting the Adult activities for continuing Recovery act activities	266	\$55,412	0	\$0	18	\$2,726	18	\$2,726
To provide funding for 18 staff supporting the Workforce Security activities for continuing Recovery act and for new initiatives.	239	\$42,986	11	\$1,464	7	\$920	18	\$2,384
To provide funding for 14 staff supporting the Youth activities for continuing Recovery act activities	67	\$12,308	0	\$0	14	\$2,093	14	\$2,093
To provide for an increase in Adults activity for Trade Workload under the Recovery Act.	266	\$55,412	9	\$1,392	0	\$0	9	\$1,392
To provide funding for upgrades to IT.	155	\$27,784	0	\$0	0	\$759	0	\$759
To provide funding for managing new initiative such as the Innovation Fund and the Taskforce for Advancing Regional Innovation Cluster (TARIC)	266	\$55,412	0	\$0	5	\$738	5	\$738
Community College and Career Training Initiative	266	\$55,412	0	\$0	5	\$738	5	\$738
To provide for an increase in Workforce Security for Detecting and Preventing Employees Misclassification	239	\$42,986	2	\$300	2	\$300	4	\$600
To provide funding for upgrades to IT programs for reporting and data validation	333	\$67,720	0	\$8	0	\$505	0	\$513
To provide for an increase in Apprenticeship staff to address core functions of registering apprenticeship programs and apprentices and technical assistance to program sponsors.	155	\$27,784	0	\$0	1	\$150	1	\$150
Contractor conversion	505	\$98,398	1	\$0	1	\$0	2	\$0
Programs Subtotal			23	+\$3,164	53	+\$8,929	76	+\$12,093
Total Increase	774	+\$147,656	23	+\$3,209	53	+\$9,017	76	+\$12,226
Decreases:								
A. Built-Ins:								
To Provide For:								

PROGRAM ADMINISTRATION

SUMMARY OF CHANGES

(Dollars in Thousands)

Built-Ins Subtotal	0	\$0		0	\$0	0	\$0	0	\$0
B. Programs:									
Programs Subtotal				0	\$0	0	\$0	0	\$0
Total Decrease	0	\$0		0	\$0	0	\$0	0	\$0
Total Change	774	+\$147,656		23	+\$3,209	53	+\$9,017	76	+\$12,226

PROGRAM ADMINISTRATION

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 Services	276	55,412	266	55,412	304	61,537
General Funds	233	46,859	223	46,859	252	51,577
Unemployment Trust Funds	43	8,553	43	8,553	52	9,960
Youth Services	68	12,308	67	12,308	81	14,442
General Funds	68	12,308	67	12,308	81	14,442
Workforce Security	230	42,986	239	42,986	262	46,011
General Funds	11	3,490	20	3,490	29	4,713
Unemployment Trust Funds	219	39,496	219	39,496	233	41,298
Apprenticeship	128	27,784	155	27,784	156	28,718
General Funds	128	27,784	155	27,784	156	28,718
Executive Direction	49	9,166	47	9,166	47	9,174
General Funds	14	7,075	35	7,075	35	7,083
Unemployment Trust Funds	35	2,091	12	2,091	12	2,091
Total	751	147,656	774	147,656	850	159,882
General Funds	454	97,516	500	97,516	553	106,533
Unemployment Trust Funds	297	50,140	274	50,140	297	53,349

NOTE: FY 2010 reflects actual FTE. (Does not include FTE funded by the Recovery Act.)

PROGRAM ADMINISTRATION

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
	Full-Time Equivalent				
	Full-time Permanent	774	774	850	76
	Total	774	774	850	76
	Reimbursable	4	4	4	0
	Total Number of Full-Time Permanent Positions	778	778	854	76
	Average ES Salary	\$167,602	\$170,954	\$170,954	\$3,352
	Average GM/GS Grade	12	12	12	0
	Average GM/GS Salary	\$98,523	\$99,922	\$98,909	\$386
	Average Salary of Ungraded Positions	0	0	0	0
11.1	Full-time permanent	76,257	77,340	83,951	7,694
11.3	Other than full-time permanent	850	300	300	-550
11.5	Other personnel compensation	2,753	2,539	2,727	-26
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	79,860	80,179	86,978	7,118
12.1	Civilian personnel benefits	20,969	21,235	23,135	2,166
13.0	Benefits for former personnel	35	35	35	0
21.0	Travel and transportation of persons	1,674	1,707	1,963	289
22.0	Transportation of things	44	10	70	26
23.1	Rental payments to GSA	8,343	8,820	9,134	791
23.2	Rental payments to others	0	12	26	26
23.3	Communications, utilities, and miscellaneous charges	1,112	1,252	1,598	486
24.0	Printing and reproduction	575	450	450	-125
25.1	Advisory and assistance services	1,766	4,037	4,037	2,271
25.2	Other services	1,194	770	770	-424
25.3	Other purchases of goods and services from Government Accounts	16,747	15,756	16,479	-268
25.4	Operation and maintenance of facilities	42	200	200	158
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	10,135	9,918	11,478	1,343
26.0	Supplies and materials	772	1,050	1,124	352
31.0	Equipment	4,338	2,185	2,365	-1,973
42.0	Insurance claims and indemnities	50	40	40	-10
	Total	147,656	147,656	159,882	12,226
	1/Other Purchases of Goods and Services From Government Accounts				
	Working Capital Fund	15,541	14,542	15,228	-313
	DHS Services	1,206	1,214	1,251	45

PROGRAM ADMINISTRATION

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.	Adult Services, Youth Services, Apprenticeship, Executive Direction
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.	Adult Services, Youth Services, Apprenticeship, Executive Direction
1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	Adult Services, Youth Services, Apprenticeship, Executive Direction
1.4 Help middle-class families remain in the middle class.	Adult Services, Youth Services, Apprenticeship, Executive Direction
1.5 Secure wages and overtime.	Adult Services, Youth Services, Apprenticeship, Executive Direction
1.6 Foster acceptable work conditions and respect for workers' rights in the global economy to provide workers with a fair share of productivity and protect vulnerable people.	
Strategic Goal 2 – Ensure Workplaces Are Safe and Healthy	
2.1 Secure safe and healthy workplaces, particularly in high-risk industries.	
Strategic Goal 3 – Assure Fair and High Quality Work-Life Environments	
3.1 Break down barriers to fair and diverse work places so that every worker's contribution is respected.	
3.2 Provide workplace flexibility for family and personal care-giving.	
3.3 Ensure worker voice in the workplace.	
Strategic Goal 4 – Secure Health Benefits and, for Those Not Working, Provide Income Security	
4.1 Facilitate return to work for workers experiencing workplace injuries or illnesses who are able to work.	
4.2 Ensure income support when work is impossible or unavailable.	Workforce Security
4.3 Improve health benefits and retirement security for all workers.	
Strategic Goal 5 – Assure the Production of Timely and Accurate Data on Social and Economic Conditions of Workers and their Families	
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.	

PROGRAM ADMINISTRATION

DETAILED WORKLOAD AND PERFORMANCE			
	FY 2010	FY 2011	FY 2012
	Enacted	Request	Request
	Target	Target	Target
Grants Management			
Strategic Goal 1 - Prepare Workers for Good Jobs and ensure fair compensation			
Outcome Goal 1.1 - Increase workers' incomes and narrowing wage and income inequality			
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.			
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.			
Outcome Goal 1.4 - Help middle-class families remain in the middle class.			
Strategic Goal 4 – Secure Health Benefits and, for Those Not Working, Provide Income Security			
Outcome Goal 4.2 - Ensure income support when work is impossible or unavailable.			
Pre-Award Activities	25	25	27
Formula and Discretionary Grant Awards	1067	1171	1182
Desk Reviews	14,124	14,200	13,760
Monitoring Results Issued	1,177	1,183	1,147
Number of Audit Resolutions	108	114	120
Grants Closeouts Completed	620	680	687

Workload and Performance Summary

The following production measures demonstrate the Employment and Training Administration capacity to administer the grants management functions of Adult and Youth Services and meet the Secretary’s Strategic Goals 1 and 4, more specifically supporting Outcome Goals 1.1, 1.2, 1.3 and 1.4 through:

- **Pre-Award Activities** - ETA’s Program Office(s) take the lead in identifying and resolving policy options with leadership, researching and writing the Solicitation for Grant Awards (SGA) for competitive funds or issuing Training and Employment Guidance Letters (TEGLs) or Unemployment Insurance Program Letters (UIPLs) with allocations and current program guidance/plan requirements for formula funds.
- **Formula and Competitive Grant Awards** – A major responsibility for the Office of Financial Administration and Management (OFAM), grant awards are committed and obligated when the Grant Officer in the National Office issues a Grant Award Notification. ETA makes awards prior to beginning of the Program Year for PY grants or Federal fiscal year for FY grants, and throughout the year for discretionary and special purpose awards. The number of grants awarded is contingent upon a combination of Federal appropriations and DOL/ETA priorities as outlined in grant solicitations.
- **Desk Reviews:** Desk Reviews are conducted for grants, most of which are managed in the regional offices. They are done quarterly after the receipt of quarterly financial and program reports for every active grant (discretionary and formula), and includes an

PROGRAM ADMINISTRATION

assessment of current grant status, performance, timely and accurate reporting, etc. The number here will fluctuate from quarter to quarter as some grants are ending, and some beginning. Desk reviews include accepting financial reports. Grantee quarterly financial reports submitted are reviewed and accepted by the Federal Project Officer for both new and existing grant awards, some of which are extended up to three years. Financial report submission, review and acceptance occur in the New Core system.

- **Monitoring Results Issued:** The results of intensive monitoring and oversight are communicated to grantees in written reports, including both onsite reports and other reports such as those from a desk analysis. These reports may be issued and filed in GEMS by the Federal Project Officer. Intensive onsite or desk analysis reviews may be done in response to an indication by regional staff that an issue or problem exists with the grant, and may be based on risk level in GEMS. ETA plans to provide this higher level of oversight to at least one-third of its grants and projects each year, subject to available resources.
- **Number of Audit Resolutions:** OMB Circulars A-133 and A-50 provide audit requirements for grantees and resolution requirements for Federal agencies. The primary function of audits is to support Federal stewardship responsibilities. ETA is responsible to Congress for the effective and the efficient use of funds. Audits are one mechanism for monitoring grant recipients and their expenditures of Federal money. To ensure consistency in our resolutions, the Office of Grants Management (OGM) is responsible for resolving both A-133 audits and OIG audits within 180 days of issuance. The resolution process is very much a collaborative effort involving all offices (administrative, program, and regional). Program Offices and Regional Offices often provide draft Initial and Final Determinations for the Office of Grant Management (OGM) to finalize. Final Determinations may be appealed to the Administrative Law Judge. Preparing the Administrative file (OGM) and for court appearances can take a considerable amount of time for all staff involved (administrative, program and regional).
- **Grants Closeouts Completed:** Grant closeouts are completed using an inventory tracking system and are a function of OFAM. Grant closeout inventory specialists consult with Grant Officers and Program Officials to verify grants ready for closure, identifying grants with period of performance extensions. During the 90 days in which grantees are required to submit closeout information, ongoing communication and information gathering takes place with FPOs and grantees. After closeout documents are received from the grantee, a financial reconciliation is performed and internal certifications are completed. Once the internal certification and financial obligations are addressed, the final closeout modification is created, reviewed and signed by the Grant Officer. In some instances, (i.e. non-receipt of closeout documents, identification of unallowable costs, unmet match requirements), Initial and Final Determinations are issued to the grantee in an effort to resolve cost issues. Many of these issues are resolved informally; however, in some cases, debts are established with the grantee and the case is forwarded to debt collection.

PROGRAM ADMINISTRATION

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2001...1/	\$159,311	\$146,000	\$156,158	\$158,863	1,360
2002...2/	161,078	161,863	161,078	161,031	1,300
2003...3/4/	170,996	172,061	177,642	169,830	1,222
2004...5/	183,365	172,327	172,061	174,978	1,189
2005...6/	181,018	168,854	177,615	169,728	1,192
2006...7/	206,861	206,111	206,111	198,000	1,180
2007	189,304	199,708	199,708	171,130	972
2008...8/9/	216,162	170,500	185,505	172,323	896
2009...10/11/	144,011	0	131,153	130,463	766
2010	147,906	146,406	148,906	147,656	774
2011	162,042	0	0	0	774
2012	159,882	0	0	0	850

1/ Reflects a reduction of \$295 pursuant to P.L. 106-554.

2/ Reflects reductions of \$444 pursuant to P.L. 107-116 and \$388 pursuant to P.L. 107-206.

3/ Reflects a reduction of \$1,065 pursuant to Budget Amendment adding \$4,465 for administrative costs associated with administering the Trade Adjustment Act of 2002 (P.L. 107-210) and reducing \$5,530 in costs no longer needed for administering National Emergency Grants.

4/ Reflects a .65% rescission.

5/ Reflects the Conference action including a rescission of 0.59% or \$1,142 pursuant to P.L. 108-199 and a Labor/HHS rescission of \$272 and includes \$5,000 transferred from the State Unemployment Insurance and Employment Service Operations appropriation for Foreign Labor Certification Activities.

6/ Reflects a reduction of \$910, pursuant to P.L. 108-447.

7/ Reflects a reduction of \$2,000,000, pursuant to P.L. 109-148. Also does not reflect the transfer of Job Corps' administrative resources (\$28,578,000 and 188 FTE) to Departmental Management Account.

8/ Reflects a 1.747% rescission.

9/ Includes Foreign Labor Certification (\$ 41,487).

10/ FTE numbers are ceilings.

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

PROGRAM ADMINISTRATION

Overview

The mission of the Employment and Training Administration (ETA) is to contribute to the more efficient functioning of the U.S. labor market by providing high quality job training, employment services, labor market information, and income maintenance primarily through state and local workforce development systems. On behalf of American taxpayers, ETA administers effective programs that have at their core the goals of enhanced employment opportunities and competitive business. ETA has a diverse portfolio of programs providing training, employment services, income maintenance, and pathways to career or education opportunities. The majority of these programs are administered through a Federal-state arrangement, although a small number are managed directly by ETA.

The Program Administration (PA) account finances staff for leadership, policy direction, provision of technical assistance to the system, funds management, and administration of the following programs authorized by the Workforce Investment Act (WIA): Adult, Dislocated Worker, Youth, Workforce Information, National Activities, the Indian and Native American Program, the Migrant and Seasonal Farmworker Program, and Women in Non-Traditional Occupations (WANTO). The PA account also finances staff to carry out similar responsibilities for Unemployment Insurance (UI), the Employment Service (ES), Work Opportunity Tax Credits, the Trade Adjustment Assistance (TAA) program, and the Office of Apprenticeship.

The FY 2012 Budget request of \$159,882,000 supports 850 direct full-time equivalent (FTE) staff. This represents an increase of \$12,226,000 and 76 FTE from the FY 2010 enacted level. Additionally, ETA estimates that four FTE and \$542,000 will be reimbursed by the Federal Emergency Management Agency (FEMA) to support disaster unemployment assistance (DUA) activities. The appropriation request is financed by both general revenues and transfers from the Unemployment Trust Fund. In addition to a built-in increase for rent, this request funds: an increase of 55 FTE - 50 FTE for the continued oversight and closeout of American Recovery and Reinvestment Act (Recovery Act) funds, 4 FTE for technical assistance and grant management for the Workforce Innovation Fund (WIF), and 1 FTE for the Taskforce for Advancing Regional Innovation Cluster (TARIC); an increase of 1 FTE for the Office of Apprenticeship; an increase of 4 FTE for the Office of Unemployment Insurance to implement the Misclassification Initiative, provide technical assistance to States to improve trust fund solvency, and other new initiatives; an increase of 9 FTE for the expanded TAA program; and, 5 FTE for the Career Training Grant program (TAACCCT).

In addition, there is \$1,272,000 for upgrades in IT and to support the increased reporting and data validation requirements.

As part of its efforts to improve accountability and increase efficiency, ETA is proposing the conversion of 2 positions in the IT function currently encumbered by contractors to Federal positions. This conversion will result in the development of a stable workforce in a critical area and increased Federal oversight. Additionally, this conversion is financially advantageous to the agency. With the Recovery Act related FTE in the FY 2012 Budget request, ETA intends to make extensive use of Term Appointments to allow maximum flexibility in moving the positions

PROGRAM ADMINISTRATION

to the most critical areas related to our mission as our program needs change from oversight and closeout of the Recovery Act grants to providing technical assistance and oversight for the new grants awarded under the TAACCCT Grant Fund and the Workforce Innovation Fund.

The ETA Program Administration account provides the Federal resources that support critical functions necessary to administer the above programs, and to ensure that these resources are used efficiently and effectively. The staff administers grants, provides program direction, shapes policy, and provides guidance and technical assistance to states and grantees to carry out the investments in the workforce system. ETA executes the job training, employment, and labor market information aspects of the DOL mission through competitive and formula grant programs and direct Federal program administration. As an agency, ETA is somewhat unique within DOL due to the structural design of the public workforce system. ETA staff are, for the most part, not engaged in direct services; rather, they are primarily engaged in using a variety of tools to apply leverage to the workforce system to encourage optimal results for participants being served.

Indirect support is also allocated to provide for financial, procurement, human resources, and administrative services, as well as IT support. ETA is charged with overseeing the workforce system through the administration of \$10 billion in various grant funds. ETA is responsible to Congress and the American taxpayer for the effective and efficient stewardship of these funds.

As we face the challenges of meeting the need for stronger accountability to the public and the continuing high demand for employment and job training services in an increasingly constrained budget environment, ETA will focus its efforts on continuing to provide the highest quality of services to our stakeholders through improved efficiency and concentration on our core mission activities. ETA will utilize its resources to identify and disseminate promising practices and encourage collaboration across the workforce system and other competitive grantee sites to improve customer service, expand opportunities and improve outcomes. The agency will continue to develop partnerships with other agencies, as well as with the business community, community colleges and local workforce partners, and will work to identify where efficiencies can be achieved through elimination of redundancies. Program Administration resources will maximize effectiveness by strengthening coordination and communication across offices and with our partners.

Secretary of Labor Hilda L. Solis has established a vision for the Department of “good jobs for everyone”. The ETA’s workforce programs have a critical role to play in making the Secretary’s vision of good jobs real by contributing to the following outcomes:

- Increase workers’ incomes and narrow wage and income inequality;
- 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;
- Ensure income support when work is impossible or unavailable;
- Help workers who are in low-wage jobs or out of the labor market find a path to middle-class jobs; and
- Help middle-class families remain in the middle class.

PROGRAM ADMINISTRATION

ETA employs six key strategies in ensuring its programs and participants of those programs obtain optimal outcomes:

Providing Program Direction and Guidance: A primary lever of influence for ETA is providing program direction and guidance on the use of Federal dollars. This is done through careful design of programs, by issuing guidance to grantees and workforce system partners, by developing strategic planning requirements for grantees, and by providing technical assistance throughout the life of the grants. To help America's workers obtain and keep good jobs, ETA emphasizes the following priorities in its program design and policy guidance: a stronger, more comprehensive One-Stop delivery system; a dual focus on workers and employers as customers; progressive levels of education and job training to provide those most in need with a pathway to the middle class; innovative approaches to service delivery; regional partnerships and collaboration; and sector strategies for high-demand industry sectors—such as the nation's investment in green jobs—as an effort to jump start the economy and put Americans back to work.

Managing Grant Programs: By design, ETA is primarily a grant-making agency. The laws governing Federally-funded employment and training activities are designed so that funds are granted to state and local entities that are responsible for delivering services to workers and employers. ETA plays a key role in helping grantees provide employment and training activities by: selecting qualified applicants that are capable of achieving program outcomes; setting performance targets for grantees; efficiently and effectively distributing funds in a timely manner to ensure that customers receive services as quickly as possible; providing the grantees with technical assistance; and monitoring grantees for compliance with Federal requirements.

Investing in Infrastructure to Support the System and Job Seekers: ETA staff will provide oversight for the O*NET occupational classification system and other on-line tools and resources, such as competency models and the mySkills myFuture skills transferability tool. These tools provide workers, front line staff, employers and leaders within the workforce system with information and analysis to support job searches, career counseling, training decisions, and other workforce development and training activities.

Educating the Public about Employment and Training Programs: Through the use of the toll-free help line, outreach meetings with stakeholders, responding to customer and stakeholder questions and assisting community-based organizations in accessing grant funding, ETA will continue to reach out to those in need of services. In addition, ETA will continue collecting program performance data and working to present it in ways that are easy for the public to access and understand.

Identifying Effective/Promising Employment and Training Programs/Strategies/ Practices and Disseminating that Knowledge: ETA staff will provide strategic leadership and project management for the agency's research and evaluation agenda, and for the design and delivery of evidence-based technical assistance programs for grantees and other workforce system partners.

Increasing Training Capacity: In support of the Secretary's goal of helping workers who are in low-wage jobs or out of the labor market, ETA will develop new and strengthen preexisting

PROGRAM ADMINISTRATION

strategic partnerships with other agencies, organizations, and stakeholders to help individuals find a path to middle-class jobs. To support the Secretary's goal of ensuring that workers have the skills and knowledge to succeed in a knowledge-based economy, ETA will expand Registered Apprenticeship in high-growth and emerging industry sectors like "green" jobs and healthcare. ETA staff will also design and provide oversight for the TAACCCT program to increase significantly training capacity for TAA certified workers.

Federal staff will be critical to ensure that desired outcomes in support of the Department's strategic goals are achieved. Each FTE directly impacts the ability to provide effective grant management and oversight of Federal investments, management and oversight that results in more accountability for ETA investments, mitigated risk, and decreased disallowed costs. They also increase the ability to assess and mitigate risks of fraud and abuse in the operation of DOL programming by grantees through activities such as the UI Misclassification Initiative and Integrity Reform, as well as to lessen vulnerability to negative consequences that undermine public confidence in the Federal government. Adequate staffing directly affects ETA's ability to support the DOL Strategic Goal 1 (prepare workers for good jobs and ensure fair compensation) by ensuring that funds are used for the intended purposes and grantee programs lead to the intended outcomes.

ETA's grants management activities have exponentially increased over the past few years while the staff available to perform oversight functions has decreased. While Recovery Act funds for grants management staff expired on September 30, 2010, over 300 of these grants remain active in FY 2011 and beyond. In addition, ETA anticipates significant increases in its grants management workload from the FY 2010 levels due to a significant number of new grants to be awarded in FY 2011, FY 2012, and FY 2013. For formula grants, the workload has doubled since FY2009 because of the Recovery Act; for competitive grants, the workload will triple from FY 2010 to FY 2011. Nearly all formula and competitive grants (with the exception of TAA) are authorized for a three-year period of performance, with approximately 10 percent of these grants being extended for a fourth year. All grants are managed until closed out. ETA has determined that, on average, a five FTE member team for competitive grants is managing 150 grants (or approximately 30 grants per FTE), at a per FTE financial management risk of over \$100 million per FTE. With significant increases in ETA's grants management workload, additional Federal staff will be critical in providing oversight, monitoring, and technical assistance to mitigate any potential risks of fraud and abuse in Federal investments, as cited in the Office of Inspector's report #18-10-013-03-390 dated September 30, 2010.

ADULT SERVICES

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	55,412	55,412	61,537	6,125
FTE	276	266	304	28

NOTE: FY 2010 reflects actual FTE. (Does not include FTE funded by the Recovery Act.) The authorized level was 266.

Introduction

The budget request provides for the Federal administration of Adult Services that includes: Adult and Dislocated Worker employment and training activities (including Workforce Innovation Fund activities), WIA national activities including the Indian and Native American program and the Migrant and Seasonal Farmworker program; the TAA program; TAACCCT, and administrative staff support.

The ETA Program Administration account provides the Federal resources that support critical functions necessary to administer the Adult Programs. ETA staff in Adult Services work in the national and regional offices, and include numerous Federal Project Officers (FPOs) who are trained to oversee the use of government resources. The Federal staff are also responsible for ensuring that employment and training resources are used efficiently and effectively.

The Adult Programs provide agency support in key areas of ETA’s communications and technical assistance infrastructure; national electronic tools; and policy development for system governance. As such, they are often at the epicenter for supporting the Agency’s strategic priorities for the workforce system.

The work performed by the ETA staff in support of Adult Services has a direct impact on the Department’s Strategic Goal 1: Prepare workers for good jobs and ensure fair compensation. The following outcome goals are encompassed within these programs:

- 1.1 Increase workers’ incomes and narrowing wage and income inequality.
- 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.
- 1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs.
- 1.4 Help middle-class families remain in the middle-class.

ADULT SERVICES

The following performance items illustrate ETA's contribution to the goals above:

1.1 – Increasing the average earnings of individuals served through the Workforce Investment Act, Trade Adjustment Assistance, and Community Service Employment for Older Americans Programs.

1.2 – Increasing skill attainment, certification and work preparedness of individuals served through a range of programs to prepare them to compete in a knowledge-based economy featuring emerging industries such as green jobs.

1.3 – Providing workers with the resources necessary to increase their likelihood of obtaining middle-class jobs.

1.4 – Ensuring that those workers adversely affected by foreign and domestic economic conditions can remain in the middle class.

The programs also address the following Priority Goals:

- By June 2012, increase by 10 percent (to 220,000) the number of people who receive training and attain a degree or certificate through the following programs: Workforce Investment Act (WIA) adult, dislocated worker and youth; National Emergency Grants (NEG); Trade Adjustment Assistance (TAA); and Career Pathways.
- Train over 120,000 Americans for green jobs by June 2012.

ETA supports these priority goals by increasing skill attainment, certification and work preparedness of individuals served through a range of programs to prepare them to compete in a knowledge-based economy featuring emerging industry sectors, such as green jobs.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$51,288	276
2008	\$50,392	267
2009	\$51,061	259
2010	\$55,412	266
2011	\$0	266

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

FY 2012

The FY 2012 Budget request of \$61,537,000 supports 304 direct full-time equivalent (FTE) staff. This represents an increase of \$6,125,000 and 38 FTE from the FY 2010 enacted level. The request funds a program increase of: \$738,000 and 5 FTE for the TAACCCCT Grants, which will be first awarded in FY 2011; \$738,000 and 5 FTE for managing new initiatives such as the Workforce Innovation Fund and the Taskforce for Advancing Regional Innovation Clusters

ADULT SERVICES

(TARIC); \$1,392,000 and 9 FTE to manage the additional workload required for the expanded TAA program; and, \$2,726,000 and 18 FTE for regional staff to provide technical assistance and oversight for remaining Recovery Act grants and the grants associated with new initiatives. In addition, there is 1 FTE for a contractor conversion for IT project planning and \$485,000 for upgrades to IT programs for reporting and data validation. An increase totaling \$46,000 is for rent.

In FY 2012, ETA will issue additional competitive SGAs to implement the TAA Community College and Career Training program. Funding for this initiative was provided in the Health Care and Education Affordability Reconciliation Act of 2010 for FY 2011-2014 in the amount of \$500 million per year. ETA requests an additional 5 FTE to support the initiative and the \$1 billion in total grant awards that will be made in FY 2011 and FY 2012. This is the minimum number of staff needed to provide essential program and policy support as well as technical assistance to grantees to ensure they adhere to fiscal, administrative, and performance reporting requirements and help them achieve positive outcomes.

President Obama has identified regional innovation clusters (RIC) as an effective, evidence-based framework for stimulating regional economic growth and job creation. To advance this effort, the Taskforce for the Advancement of Regional Innovation Clusters (TARIC) was established by the Department of Labor (Employment and Training Administration, Office of the Assistant Secretary for Policy); Department of Commerce (Economic Development Administration, International Trade Administration, National Institute of Standards and Technology); Small Business Administration; and Department of Education (Office of Vocational and Adult Education). Although RICs vary in shape and size, TARIC agencies reflect the core elements that are critical to the success of any cluster – hard and soft infrastructure, advanced manufacturing, small business growth, competitiveness in global markets, and a skilled workforce. By coordinating closely across agencies, the Taskforce seeks to address serious economic challenges as a Federal team that aligns and leverages resources and strategies to promote economic prosperity in key sectors of our economy. TARIC agencies formalized this cross-agency partnership through a MOU signed in September 2010. One FTE is requested to coordinate the ETA participation in this cross-agency partnership.

As a result of the passage of the Recovery Act, ETA's responsibility for monitoring grantee investments increased tremendously. With this responsibility comes the need for resources to carry out our primary mission – public stewardship of resources, effective grants management, technical assistance to ETA grantees, and close-out of those grants through September 2012. Furthermore, many of these grants are with new organizations, span multiple states and locations, and are likely to have more scrutiny than formula grants of the past. All of this increases the time spent on grant management. [As noted in a recent OIG Report: Recovery Act: Employment and Training Administration Grant Issuance and Monitoring Policies and Procedures for Discretionary Grants Including Green Jobs are Comprehensive but Funding Challenges Threaten the Quality of Future Monitoring Activities Report No. 18-10-013-03-390 (September 30, 2010)] Additionally, the new grants under the Workforce Innovation Fund will significantly increase grant management activities and workload extending beyond FY 2012, since the funding for some of these grants will be over a four year period.

ADULT SERVICES

Office of Trade Adjustment Assistance (OTAA)

The Office of Trade Adjustment Assistance (OTAA) staff functions are divided into two major categories: (1) investigations, appeals, and the associated management information systems tasks, and (2) service delivery, policy development, and external relations.

OTAA contributes to two key employment and training outcome goals:

Performance Goal ETA 1.1 – Increasing the average earnings of individuals served through the Workforce Investment Act, Trade Adjustment Assistance, and Community Service Employment for Older Americans Programs.

Performance Goal ETA 1.4 – Ensuring that those workers adversely affected by foreign and domestic economic conditions can remain in the middle class.

OTAA provides regulatory guidance to states to direct their implementation of the Trade Act of 1974, as amended. The Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA), as part of the American Recovery and Reinvestment Act of 2009, reauthorized the TAA program through December 31, 2010, and enacted the largest expansion of the program since its creation four decades ago. The TGAAA was extended through February 12, 2011 by the Omnibus Trade Act, and the Department's submission proposes that the TGAAA provisions be reauthorized .

The changes to the program enacted in the TGAAA were made in response to recommendations made by the Government Accountability Office in several studies of the TAA program.

The Budget requests an additional 9 FTE for OTAA for additional workload resulting from the continuation of the TGAAA expansions. This includes updating regulations for the TAA program. The existing regulations for the TAA program are outdated, and revisions are needed to provide the guidance and regulatory authority states need in order to efficiently operate the program and support efforts to provide workers with the specific services they need to achieve reemployment. In addition, OTAA directly administers the group eligibility provisions of the Trade Act. To become eligible for TAA reemployment services and benefits a group of workers must first file a petition with OTAA requesting certification as workers adversely affected by foreign trade. In response to each petition filed, OTAA initiates an investigation to determine whether a group of workers meets the statutory group eligibility requirements by interviewing petitioners, company officials and customers and collecting and examining sales, production, employment and import data related to the affected group of workers. If the statutory criteria are met, OTAA issues a certification of eligibility. As a result of the new Recovery Act provisions, which expanded services and benefits to dislocated workers, the Department experienced a spike in petition activity resulting in a backlog of petition investigations. In Fiscal Year 2010, the Department implemented a backlog reduction strategy that resulted in reducing the number of pending cases from over 1600 at the beginning of the Fiscal Year to 350 at the close of the FY, reducing the average case processing time by 34 percent, and quadrupling the number of cases that were completed within the 40 day limit. However, much of this was accomplished with temporary Recovery Act-funded hires and contract staff. Although the backlog has been significantly reduced, the reduction of staff from Recovery Act levels has presented a challenge

ADULT SERVICES

in meeting the statutory 40 day timeline. An additional nine (9) FTE would enable the agency to reach and maintain production and efficiency targets highlighted in the Agency Operation plan.

Grant management activities directly support each of the Department's outcome goals by facilitating grantee performance with the goal of improving outcomes for program participants. The standard formula and competitive grants, in addition to the new grants such as the TAA Community College grants, are all aimed at ensuring Americans obtain the necessary skills and training to succeed in a knowledge-based economy and find paths to middle-class jobs. In addition, ETA staff will have a continued focus in FY 2012 to increase the number of adults who complete training and acquire an industry recognized credential.

Staff members for workforce programs that provide grants to states and non-profit organizations perform similar functions. Specifically, they:

- Design funding programs
- Negotiate and administer grants
- Prepare program guidance
- Monitor program implementation
- Oversee the reporting system
- Track grantee performance
- Design and deliver technical assistance for grantees
- Manage distribution of program resources
- Coordinate Federal activities that serve adult workers

Indirect Staff Support

The Adult Services activity in the Program Administration account also provides funding for the costs of staff in ETA's Office of Financial and Administrative Management (which includes the Office of Technology) and Office of Policy Development and Research to provide administrative management for Adult programs. Administration activities include grants and contract management, financial management, budget oversight, information technology, and performance management.

A proposed increase of 1 FTE for the IT function reflects a strategy to change the ratio of Federal to contract staff in key enterprise-level IT services that serve management and quality control purposes. Specifically, the strategy involves redirecting program administration funds currently used to provide for capital planning and budgeting services under contract to increase the Federal staffing for these functions. There will be a one-to-one reduction in contract staff for each increase in FTE. The shift from contract staff to Federal staff reflects the fact that these employees are engaged in Federal IT planning, budgeting and management functions, which are perennial Federal activities, rather than project-based applications development or operations and maintenance services. In addition, the cost for the position will be lower than the current contract cost and those savings can be utilized to cover increases in IT licenses and maintenance as a result of the new systems developed for increased data validation.

The request includes \$485,000 for IT costs associated with the on-going maintenance and licensing of new systems developed to improve cost and performance reporting, as well as

ADULT SERVICES

support for efforts to improve open government and e-government. The majority of these programs supported are related to activities funded by TES for Adult Activities.

FY2011

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 2010 appropriation provided \$55,412,000 for 266 FTE to administer ETA's Adult-focused programs. The Adult Services activities included funding for the Federal staff responsible for the activities described above in the introduction. In addition, ETA allocated \$40,315,000 in Recovery Act funds to support Adult activities in FY 2010. This funding level supported 156 FTE and \$4,509,312 of technology improvements, spread over both FY 2009 and FY 2010. Investments in program automation and information technology enhancements had significant positive impacts on ETA's effective and efficient management of Recovery Act activities.

Recovery Act funds allowed the Adult program to:

- Provide monitoring of and on-site technical assistance to Adult Recovery Act grantees.
- Update the Waiver Management Information System.
- Update to Grant Electronic Management System (GEMS).

Evaluations began of the following Adult Recovery Act program activities in FY2010:

- **Waivers:** ETA is conducting an impartial third-party evaluation of the use of WIA waivers on the employment performance outcomes of local workforce areas and states. The evaluation will assess the effects of waiver implementation on service delivery in the public workforce system, both direct outcomes of waiver provisions and indirect displacement and other effects of the provisions on the clients and services of the workforce system. The study will comprise general analysis of waiver implementation as well as in-depth examinations of specific waiver types.
- **Recovery Act Competitive Grants: Green Jobs, Health Care and Other Growth Industries.** In FY 2010, ETA began the evaluation of the Recovery Act grants focused on providing training in green jobs, health care careers and other growth industries. Specifically, evaluations focus on grants awarded under the following solicitations: State Energy Sector Partnerships, Energy Training Partnerships, Pathways Out of Poverty, and Health Care Sector and Other High Growth and Emerging Industries. The evaluations include an intensive process study of grantee operations that includes an analysis of baseline project data and an impact analysis that will use quasi-experimental and/or experimental methods and focus on Pathways Out of Poverty and Health Care Sector and Other High Growth and Emerging Industries grants.
- **State Labor Market Information (LMI) Improvement Grants.** This evaluation will examine the extent to which both the overall grant program and its individual projects

ADULT SERVICES

achieve their objectives, document the activities performed and identify promising practices. It will seek to ascertain the effects of the grants on the LMI infrastructure in the participating states, the effects of the grant activities on job seekers, employers, and educational institutions, and the implications of the activities for development and growth of energy efficiency and renewable energy (“green”) occupations in those states.

ADULT SERVICES

DETAILED WORKLOAD AND PERFORMANCE				
	FY 2010 Enacted		FY 2011	FY 2012
	Target	Result	Target	Target
Adult Services				
Trade Adjustment Assistance Administration	--	--	--	--
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.	--	--	--	--
Outcome Goal 1.4 - Help middle-class families remain in the middle class.	--	--	--	--
Total number of petitions in process for over 40 days ²	--	--	280	TBD
Total number of petitions remaining ¹	--	--	373	TBD
Percent of petitions completed within 40 days ¹	--	--	75.00%	TBD

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

* In accordance with the established measure implementation schedule, 2010 will be used to establish the review procedures and required documentation against which compliance will be measured.

¹ Average petition processing time, number of petitions remaining and % of petitions completed within 40 days, are based on data averaged over the last 8 months as of June 30, 2010. Forecasted data for these measures assumes adoption of strategies outlined in the 2011 Operating Plan, including adequate staffing and training to efficiently manage petition processing and the backlog.

² OTAA projects a 50% decline in the number of petitions remaining; however it is difficult to project the number of petitions in progress as this will depend on the volume of petitions we receive. Assuming reauthorization and extrapolating based on past performance, we anticipate another surge in petitions during 2011.

Workload and Performance Summary

The production measures demonstrate the Employment and Training Administration capacity to administer the Trade Adjustment Assistance Petition functions and meet the Secretary's Strategic Goal 1, more specifically supporting Outcome Goals 1.1, 1.2, 1.3 and 1.4. While the program has a statutory requirement to process petitions within 40 days, baseline data collection in FY 2010 will determine the targets for FY 2011 and 2012.

ADULT SERVICES

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
11.1	Full-time permanent	26,976	27,517	30,780	3,804
11.3	Other than full-time permanent	441	290	290	-151
11.5	Other personnel compensation	1,124	905	1,006	-118
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	28,541	28,712	32,076	3,535
12.1	Civilian personnel benefits	7,829	7,591	8,547	718
13.0	Benefits for former personnel	0	13	13	13
21.0	Travel and transportation of persons	662	586	734	72
22.0	Transportation of things	40	3	63	23
23.1	Rental payments to GSA	2,764	3,814	3,960	1,196
23.2	Rental payments to others	0	12	12	12
23.3	Communications, utilities, and miscellaneous charges	620	558	760	140
24.0	Printing and reproduction	399	324	324	-75
25.1	Advisory and assistance services	403	1,327	1,327	924
25.2	Other services	941	347	347	-594
25.3	Other purchases of goods and services from Government Accounts	7,226	7,180	7,628	402
25.4	Operation and maintenance of facilities	30	188	188	158
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	4,184	4,063	4,715	531
26.0	Supplies and materials	265	370	407	142
31.0	Equipment	1,490	306	418	-1,072
42.0	Insurance claims and indemnities	18	18	18	0
	Total	55,412	55,412	61,537	6,125
	1/Other Purchases of Goods and Services From Government Accounts				
	Working Capital Fund	6,531	6,646	7,068	537
	DHS Services	695	534	560	-135

ADULT SERVICES

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
One day less of Pay	0
Federal Employees Compensation Act (FECA)	0
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	46
All Other Rental	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services	0
Working Capital Fund	0
Other government accounts (Census Bureau)	0
Other government accounts (DHS Charges)	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$46**

Net Program **\$6,079**

Direct FTE **38**

	Estimate	FTE
Base	\$55,458	266
Program Increase	\$6,079	38

YOUTH SERVICES

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	12,308	12,308	14,442	2,134
FTE	68	67	81	13

NOTE: FY 2010 reflects actual FTE. (Does not include FTE funded by the Recovery Act.). The authorized level was 67.

Introduction

The budget request provides for the Federal administration of Youth Services, including Workforce Investment Act (WIA) Youth employment and training activities, YouthBuild and the Reintegration of Ex-Offenders program. By utilizing one workforce to oversee all of these programs, staff are able to share best practices and innovative ideas from each with their grantees.

ETA will use its Program Administration funds to provide sufficient oversight, informal evaluation and technical assistance to grantees to maintain good stewardship of tax dollars. Due to the increased emphasis ETA will place on improving services to young people who are disconnected from education and work, ETA will focus on helping WIA youth-serving grantees to improve program delivery and occupational and employment outcomes, including the acquisition of industry recognized, postsecondary credentials. Each FTE directly impacts the ability of ETA to provide effective grant management and oversight of Federal investments and the Agency's capacity to share promising practices and to improve the delivery of services to a vulnerable population. Federal staff provide the accountability for youth program investments, resulting in decreased risk and lower disallowed costs, increased ability to assess and mitigate risks of fraud and abuse in the operation of DOL programming by grantees, and decreased vulnerability to Congressional inquiry and negative consequences that undermine public confidence in the Federal government.

WIA Youth Activities

The WIA Youth program provides grants to states and local areas to operate an array of services to assist economically disadvantaged youth, particularly youth disconnected from school and work, and youth aging out of foster care in achieving academic and work skills. This budget activity in the program administration account finances staff for the national and regional offices. The Federal staff administers and negotiates grants, prepares program guidance, monitors program implementation, oversees the reporting system, tracks grantee performance, provides technical assistance to grantees, disseminates best practices and strategies for continuous improvement, and oversees distribution of program resources. The staff also coordinates Federal activities that serve youth with Federal agency partners.

YOUTH SERVICES

YouthBuild Program

The YouthBuild program provides grants for job training and educational opportunities for at-risk youth who help construct or rehabilitate housing for low-income or homeless families and individuals in their communities. Participants in YouthBuild receive a combination of classroom and job skills development and on-site training in a construction trade. The Federal staff which oversees the YouthBuild program negotiates and administers grants, prepares program guidance, monitors program implementation, oversees the reporting system, tracks grantee performance, provides technical assistance to grantees, and oversees distribution of program resources.

Reintegration of Ex-Offenders

The Reintegration of Ex-Offenders (RExO) program prepares workers – specifically adult and youth offenders and at-risk youth - for good jobs 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. Staff in the Division of Youth Services (DYS) lead the policy and procurement development process for all RExO funded activities including researching program models and developing SGAs. DYS staff lead the development and provision of grantee technical assistance delivered through Federal staff, Federal Project Officers in the regions, contractors, and other Federal agencies such as the Department of Justice and Health and Human Services. DYS also coordinates program and performance reporting across all of the grants.

The work performed by the ETA staff in support of Youth Services has a direct impact on the Department's Strategic Goal 1: Prepare workers for good jobs and ensure fair compensation. The following outcome goals are encompassed within these programs:

- 1.1 Increasing workers' incomes and narrowing wage and income inequality.
- 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.
- 1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs.
- 1.4 Help middle-class families remain in the middle-class.

The following performance items illustrate ETA's contribution to the goals above:

1.1 – Increase the average earnings of individuals served through the Workforce Investment Act Programs.

1.2 – Increasing skill attainment, certification and work preparedness of individuals served through a range of programs to prepare them to compete in a knowledge-based economy featuring emerging industries such as green jobs.

1.3 – Providing workers with the resources necessary to increase their likelihood of obtaining middle-class jobs.

YOUTH SERVICES

1.4 – Ensuring that those workers adversely affected by foreign and domestic economic conditions can remain in the middle class.

The programs also address the following Priority Goal:

- By June 2012, increase by 10 percent (to 220,000) the number of people who receive training and attain a degree or certificate through the following programs: Workforce Investment Act (WIA) adult, dislocated worker and youth, National Emergency Grants (NEG), Trade Adjustment Assistance (TAA), and Career Pathways.

The ETA Youth staff supports this priority goal by increasing skill attainment, certification and work preparedness of individuals served through the WIA Youth and YouthBuild programs to prepare them to compete in a knowledge-based economy featuring emerging industries.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$10,776	61
2008	\$10,789	64
2009	\$10,932	62
2010	\$12,308	67
2011	\$0	67

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

FY 2012

The FY 2012 Budget request of \$14,442,000 supports 81 direct full-time equivalent (FTE) staff. This represents an increase of \$2,093,000 and 14 FTE from the FY 2010 enacted budget. The request funds a built-in increase totaling \$13,000 for rent and \$28,000 for upgrades to IT programs for reporting and data validation. The grants management production measures activities will remain the same as the FY 2011 activity level.

The Recovery Act significantly increased funding for WIA, providing more than \$1.2 billion for Youth activities. This request would provide an increase in funding and FTE to continue essential functions related to the Recovery Act Youth activities that will continue into FY 2012. Important activities such as the oversight and monitoring of how Recovery Act funds were expended will continue; the requested funds will provide for staff to conduct closeout activities for all Recovery Act grants and contracts, and to oversee program evaluation.

Grants awarded through the Workforce Innovation Fund and the continued work associated with the YouthBuild grants will significantly increase grant management activities and workload extending beyond FY 2012, since the funding for some of these grants is over a four year period. There will also be increased workload associated with working with grantees to ensure that Federal investments are geared towards increasing the credentialing of young people for the high paying occupations that will lead to increased wages and lead them into the middle class.

YOUTH SERVICES

Grant management activities directly align with each of the Department's outcome goals for this item in the strategic plan. The standard formula and competitive grants, in addition to the new grants such as those awarded under the Recovery Act, are all aimed at ensuring America's youth obtain the necessary skills and training to succeed in a knowledge-based economy and find paths to middle-class jobs.

Indirect Staff Support

The Youth Services activity in the Program Administration account also provides funding for the costs of staff in ETA's Office of Financial and Administrative Management (which includes the Office of Technology) and Office of Policy Development and Research to provide administrative management for Youth programs. Administration activities include grants and contract management, financial management, budget oversight, information technology, and performance management.

The request includes \$28,000 for IT costs associated with the on-going maintenance and licensing of new systems developed to improve cost and performance reporting, as well as support for efforts to improve open government and e-government.

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 appropriation provided \$12,308,000 and 67 FTE. The appropriation is financed by General Revenue funds. In FY 2010, the Youth Services activities include funding for the Federal staff responsible for the activities described above in the introduction.

YOUTH SERVICES

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
11.1	Full-time permanent	6,504	6,412	7,616	1,112
11.3	Other than full-time permanent	96	0	0	-96
11.5	Other personnel compensation	195	256	293	98
11.9	Total personnel compensation	6,795	6,668	7,909	1,114
12.1	Civilian personnel benefits	1,747	1,568	1,939	192
13.0	Benefits for former personnel	0	8	8	8
21.0	Travel and transportation of persons	126	126	182	56
22.0	Transportation of things	1	1	1	0
23.1	Rental payments to GSA	727	779	792	65
23.2	Rental payments to others	0	0	14	14
23.3	Communications, utilities, and miscellaneous charges	25	96	217	192
24.0	Printing and reproduction	17	17	17	0
25.1	Advisory and assistance services	186	229	229	43
25.2	Other services	35	205	205	170
25.3	Other purchases of goods and services from Government Accounts	1,472	1,542	1,712	240
25.4	Operation and maintenance of facilities	2	2	2	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	728	728	820	92
26.0	Supplies and materials	67	52	66	-1
31.0	Equipment	376	283	325	-51
42.0	Insurance claims and indemnities	4	4	4	0
	Total	12,308	12,308	14,442	2,134
1/Other Purchases of Goods and Services From Government Accounts					
	Working Capital Fund	1,437	1,433	1,601	164
	DHS Services	35	109	111	76

YOUTH SERVICES

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
One day less of Pay	0
Federal Employees Compensation Act (FECA)	0
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	13
All Other Rental	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services	0
Working Capital Fund	0
Other government accounts (Census Bureau)	0
Other government accounts (DHS Charges)	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$13**

Net Program **\$2,121**

Direct FTE **14**

	Estimate	FTE
Base	\$12,321	67
Program Increase	\$2,121	14

WORKFORCE SECURITY

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	42,986	42,986	46,011	3,025
FTE	230	239	262	32

NOTE: FY 2010 reflects actual FTE. (Does not include FTE funded by the Recovery Act.). The authorized level was 239.

Introduction

The budget request provides for the Federal administration of the Workforce Security Program. ETA plans to use its Program Administration funds to provide sufficient oversight, informal evaluation and technical assistance to grant and contract recipients to maintain good stewardship of tax dollars. Each FTE directly impacts the ability to provide effective grant management and oversight of Federal investments, and efforts like UI integrity and identifying misclassification of independent contractors. Less accountability for ETA investments results in increased risk and higher disallowed costs, decreased ability to assess and mitigate risks of fraud and abuse in the operation of DOL programming by grantees, and increased vulnerability to Congressional inquiry and negative consequences that undermine public confidence in the Federal government. ETA will utilize its resources to disseminate promising practices and encourage cross-site collaboration to improve customer service, expand opportunities and generate positive outcomes.

The work performed by the ETA staff in support of Workforce Security Programs has a direct impact on the Department’s Strategic Goal 1: Prepare workers for good jobs and ensure fair compensation. The following outcome goals are encompassed within these programs:

- 1.1 Increase workers’ incomes and narrowing wage and income inequality.
- 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.
- 1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs.
- 1.4 Help middle-class families remain in the middle-class.

The following performance items illustrate ETA’s contribution to the goals above:

- 1.1 – Increasing the average earnings of individuals served through the Wagner-Peyser Act.
- 1.2 – Increasing skill attainment, certification and work preparedness of individuals served through a range of programs to prepare them to compete in a knowledge-based economy featuring emerging industries such as green jobs.
- 1.3 – Providing workers with the resources necessary to increase their likelihood of obtaining middle-class jobs.

WORKFORCE SECURITY

1.4 – Ensuring that those workers adversely affected by foreign and domestic economic conditions can remain in the middle class.

Unemployment Insurance

The Office of Unemployment Insurance (OUI) is responsible for providing oversight and policy guidance to the Federal-state unemployment compensation program to ensure conformity and substantial compliance of state law, regulations, rules, and operations with Federal law. OUI determines administrative fund requirements and provides money to states for proper and efficient administration; sets broad overall policy for administration of the program, and with assistance of regionally located staff monitors state performance, and provides technical assistance as necessary; and holds and invests all money in the unemployment trust fund until drawn down by states for the payment of compensation.

Program Administration resources will be used to provide Federal leadership, legislative and performance oversight, policy guidance, technical assistance, and legislative support to States in operation of their Unemployment Compensation (UC) programs. Resources will also be used for Federal budget and policy development and to collect, analyze, and publish data related to state UC programs which are used for economic analysis and program oversight. Strong program performance is a key objective for the Unemployment Insurance program and resources will be applied to measuring, evaluating, and improving performance.

In addition to the above, the following strategic areas will be a major focus in FY 2012:

1. Improved program accountability and performance improvement. ETA has embarked on a multi-pronged strategy designed to significantly bolster program accountability and to facilitate performance improvement nationally. Strategies to meet this strategic objective include:

- ETA is partnering with the National Association of State Workforce Agencies (NASWA) in a Federal-state collaborative to develop and implement action strategies and technical assistance to support states in improving UI program accountability and performance improvement.
- ETA has developed a new process for identifying “at risk” states with extremely poor performance and providing high-emphasis technical assistance to support performance improvement.
- ETA will continue ongoing implementation of its mature performance management system, UI Performs, which includes 11 core measures for the program overall.

2. Improved UI Integrity. ETA continues its focus on improving the integrity of the UI program by employing new strategies to prevent, detect, and recover improper payments. Strategies designed to advance these efforts include:

- Integrity Act. The Request includes a multi-part legislative proposal to strengthen the financial integrity of the unemployment insurance (UI) system and to encourage the early reemployment of UI beneficiaries, building upon the enactment of two key components of last year's UI integrity proposal that expanded collection of delinquent UI

WORKFORCE SECURITY

overpayments and employer taxes through garnishment of Federal tax refunds and improved the accuracy of hiring data in the National Directory of New Hires.

- **Worker Misclassification Initiative.** The Request includes a cross-agency initiative designed to aggressively pursue employers who purposefully misclassify workers. ETA will be partnering with the Department of Treasury, the Department of Labor's Wage and Hour Division, and others to develop better information-sharing strategies across programs. In addition, ETA will provide competitive funding to states to increase their capacity to detect misclassification and also bonuses to states with significantly improved performance in this area.
- **President's Executive Order on Improper Payments.** ETA is currently supporting implementation of this executive order, which will include new performance targets, enhanced reporting, transparent publication of data, and a stronger focus on strategies that address the root causes of improper payments to decrease UI improper payments.

3. **Effective Re-employment Strategies.** ETA is using significant technical assistance resources to develop a National Vision on re-employment that will promote and support states' service delivery for all job seekers, particularly UI claimants. The goal is to ensure UI claimants have access to the full continuum of workforce services, beginning with their claim for UI benefits through to their accessing the full range of workforce services delivered through One-Stop Career Centers, virtual tools, and Rapid Response activities. Strategies designed to advance these efforts include:

- Working collaboratively with state and local workforce system and UI partners to develop and deploy effective re-employment strategies for job seekers. This workgroup will provide a comprehensive set of technical assistance tools and strategies for implementing the national vision for reemployment service delivery, with a focus on the UI claimant.
- Continued funding and implementation of the Reemployment and Eligibility Assessment Initiative (REA). ETA will continue to focus on strategies to accomplish two objectives: a) ensure UI claimants are fully connected to the services offered through the workforce system; and b) ensure the integrity of the UI program. REA provides funds to states to bring UI claimants into One-Stops for eligibility reviews and the development of reemployment plans connecting them to One-Stop services.

4. **UI Modernization.** UI Modernization is intended to incentivize states to provide greater access to UI for workers who may be unemployed through no fault of their own, but who are currently not eligible for benefits. This includes recent entrants to the workforce, low-wage workers, workers who are upgrading their skills, and workers with family care giving obligations. ETA will continue to outreach to states and provide technical assistance to encourage implementation.

WORKFORCE SECURITY

Employment Service

Employment Service (ES) Federal staff provide leadership, policy guidance and direction, technical assistance, training, and oversight for the operation of the national public ES system through state offices and local One-Stop Career Centers. Regional Office staff provides oversight and technical assistance at the state and local levels. This budget request includes administrative funding for Technical Assistance and Training activities and the Federal contribution to State Workforce Agency Retirement Systems.

Workforce Information/National Electronic Tools/System Building

Program Administration funding for the Workforce Information/National Electronic Tools/System Building budget activity supports the operation and management of information and tools for the workforce investment system, including America's Career Information Network, mySkills myFuture, and O*NET. Specific activities include developing policy guidance, issuing grants and grants management.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$78,467	412
2008	\$81,898	387
2009	\$38,945	271
2010	\$42,986	239
2011	\$0	239

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

FY 2012

The FY 2012 Budget request of \$46,011,000 will support 262 FTE. This represents an increase of \$3,025,000 and 23 FTE from the FY 2010 enacted level. The request funds a program increase of: \$600,000 and 4 FTE for the Misclassification Initiative; and, \$2,384,000 and 18 FTE for staff to provide technical assistance and oversight for remaining Recovery Act grants and new initiatives such as the Workforce Innovation Fund and technical assistance to states that are restructuring their UI tax systems. In addition, there is 1 FTE for a contractor conversion for IT project planning. The request funds a built-in increase totaling \$41,000 for rent. The appropriation is financed by both General Revenue and Trust Funds.

As the economy stabilizes, there is a need to refocus the UI program in the following key areas: legislative reforms to strengthen the program moving forward; reemployment of UI claimants; improved program accountability and performance improvement; program integrity; and providing technical assistance to States to improve trust fund solvency. There is a clear need for FTEs to enable implementation of new strategies and enhanced monitoring and technical assistance in these areas including strategies to reduce improper payments; to improve detection of misclassified workers; to do intensive work with "at-risk" states to address long term poor performance; to benchmark business processes for UI administration and to share best practices among states; to work collaboratively with states to ensure UI staff have the skills and

WORKFORCE SECURITY

competencies they need; and to implement a national model for Reemployment and Eligibility Assessments. Funds are necessary to ensure sufficient FTE to oversee the claims process for payments to unemployed workers, including military personnel and workers adversely affected by imports who may be eligible for benefits under the Trade Act. ETA will align its resources to ensure that this critical work is done.

The FY 2012 Budget Request proposes a joint Department of Labor (DOL) and Department of Treasury initiative to strengthen and coordinate Federal and State efforts to enforce statutory prohibitions and identify and deter employee misclassification as independent contractors. The misclassification initiative proposes new strategies to break down traditional silos and promote collaboration, information sharing, and coordinated enforcement strategies among DOL, the States, and the Internal Revenue Service (IRS). This investment will strengthen worker protections, improve tax compliance and increase revenues, produce greater consistency in classifying workers, and promote greater equity and understanding among workers.

Federal staff will be needed to ensure that desired outcomes in support of the Department's strategic goals are achieved. In addition, it should be noted that nearly all Employment Service formula and discretionary grants are authorized for a three-year period. All grants are managed until close out, which means that these numbers should be tripled to get a closer approximation of total grant management responsibility. Grant management activities directly align with each of the Department's outcome goals for this item in the strategic plan. The standard formula and discretionary grants, in addition to grants under the Recovery Act, are all aimed at ensuring unemployed workers obtain the necessary skills and training to succeed in a knowledge-based economy and find paths to middle class jobs to become and remain middle-class families.

Indirect Staff Support

The Workforce Security activity in the Program Administration account also provides funding for the costs of staff in ETA's Office of Financial and Administrative Management (which includes the Office of Technology) and Office of Policy Development and Research to provide administrative management for Workforce Security programs. Administration activities include grants and contract management, financial management, budget oversight, information technology, and performance management.

A proposed increase of 1 FTE for the IT function reflects a strategy to change the ratio of Federal to contract staff in key enterprise-level IT services that serve management and quality control purposes. Specifically, the strategy involves redirecting program administration funds currently used to provide for capital planning and budgeting services under contract to increase the Federal staffing of these functions. There will be a one-to-one reduction contract staff for each increase in FTE. The shift to a higher ratio of Federal to contract staff with respect to these functions reflects the fact that they are perennial activities involving Federal IT planning, budgeting and management functions, rather than project-based applications development or operations and maintenance services.

WORKFORCE SECURITY

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 appropriation of \$42,986,000 supported 239 FTE staff. In addition, ETA received funding from the Departmental Management (DM) account for collecting data and preparing reports, monitoring and overseeing Recovery Act activities related to the UI program, and promoting the Unemployment Insurance Modernization Act. Reports containing Recovery Act related information are submitted monthly by all 53 states and territories that contain in excess of 100 data elements each. The new Recovery Act programs resulted in an increase in reporting errors that required investigation and additional technical assistance to the states. To address these concerns, reporting instruments were reviewed and updated along with related reporting instructions. The result of these efforts is expected to be more accurate reporting of state unemployment trust fund transactions with accounts maintained by the Bureau of Public Debt for the Unemployment Insurance Program. In addition, ETA will be able to provide timely responses to questions about Recovery Act activities related to the UI program.

ETA was responsible for overseeing states' implementation, monitoring progress, and providing technical assistance and training to state and regional staff, for Recovery Act activities, including the Federal Additional Compensation (FAC), Emergency Unemployment Compensation (EUC) and Extended Benefits (EB) programs. This required ongoing development and refinement of program review guides and conducting additional reviews of states' operations to ensure compliance with Federal law, and reporting on state performance. Onsite reviews of states' Worker Profiling and Reemployment Services (WPRS) and the Reemployment and Eligibility Assessments (REA) programs, appeals and adjudications functions were also needed and were completed in 15-20 states. A report of successful and effective practices was developed and widely disseminated to help enhance services to UI claimants, and improve occupational coding of UI claimants and performance for adjudication and appeals.

Finally, ETA provided technical assistance to 31 states that submitted applications for UI Modernization Act incentive funds, assessed those applications under the requirements of the law and awarded \$2.845 billion of the \$7.0 billion of funds Congress appropriated. Additional technical assistance was provided to the states in modifying their laws to expand the provision of UI benefits to unemployed workers that qualify for their full share of incentive funds.

WORKFORCE SECURITY

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
11.1	Full-time permanent	23,761	24,224	26,280	2,519
11.3	Other than full-time permanent	59	10	10	-49
11.5	Other personnel compensation	742	726	773	31
11.9	Total personnel compensation	24,562	24,960	27,063	2,501
12.1	Civilian personnel benefits	6,278	6,559	7,108	830
13.0	Benefits for former personnel	0	2	2	2
21.0	Travel and transportation of persons	447	447	495	48
22.0	Transportation of things	2	2	2	0
23.1	Rental payments to GSA	3,009	2,272	2,386	-623
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	210	341	363	153
24.0	Printing and reproduction	62	62	62	0
25.1	Advisory and assistance services	514	1,301	1,301	787
25.2	Other services	125	125	125	0
25.3	Other purchases of goods and services from Government Accounts	3,375	3,255	3,348	-27
25.4	Operation and maintenance of facilities	6	6	6	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	2,802	2,793	2,844	42
26.0	Supplies and materials	239	186	208	-31
31.0	Equipment	1,340	667	690	-650
42.0	Insurance claims and indemnities	15	8	8	-7
	Total	42,986	42,986	46,011	3,025
	1/Other Purchases of Goods and Services From Government Accounts				
	Working Capital Fund	3,194	2,937	3,024	-170
	DHS Services	181	318	324	143

WORKFORCE SECURITY

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
One day less of Pay	0
Federal Employees Compensation Act (FECA)	0
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	41
All Other Rental	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services	0
Working Capital Fund	0
Other government accounts (Census Bureau)	0
Other government accounts (DHS Charges)	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$41**

Net Program **\$2,984**

Direct FTE **23**

	Estimate	FTE
Base	\$43,027	239
Program Increase	\$2,984	23

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	27,784	27,784	28,718	934
FTE	128	155	156	28

NOTE: FY 2010 reflects actual FTE. (Does not include FTE funded by the Recovery Act.). The authorized level was 155.

Introduction

The Employment and Training Administration’s (ETA) Office of Apprenticeship (OA) administers the National Apprenticeship Act of 1937 (NAA), which established the foundation for developing and expanding the nation’s skilled workforce through registered apprenticeship programs, and produces standards for safeguarding the welfare of apprentices. The NAA, also known as the Fitzgerald Act, created a comprehensive system of partnerships among business, labor, education, and government that have shaped skill training through registered apprenticeship for succeeding generations of American workers.

OA continues to provide leadership and basic oversight functions for the National Apprenticeship System. In cooperation with State Apprenticeship Agencies (SAAs) recognized by the Secretary of Labor, OA administers apprenticeship at the state and local levels by:

- Registering apprenticeship programs that meet Federal standards;
- Issuing apprentices nationally recognized and portable certificates of completion;
- Promoting the development and recognition of new programs and occupations;
- Assuring that all programs provide high quality learning;
- Promoting partnerships of registered apprenticeship with other Federal programs and agencies including the workforce and education systems;
- Providing oversight and technical assistance to SAAs in 25 states, the District of Columbia and three U.S. Territories;
- Ensuring equal employment opportunity (EEO) in registered apprenticeship programs; and
- Jointly administering the Women in Apprenticeship and Nontraditional Occupation (WANTO) grant program with the Department’s Women’s Bureau.

The “Earn and Learn” strategy of registered apprenticeship and effective public-private partnership contributes to the Department’s success in achieving the Secretary’s vision of *good jobs for everyone*, the Department’s Strategic Goal 1: prepare workers for good jobs and ensure fair compensation, and the Department’s FY 2012 program emphasis on creating job opportunities for the long-term unemployed. (See chart below for how registered apprenticeship contributes to the Department’s outcome goals). Across the nation there are over 25,900 active registered apprenticeship programs providing apprenticeship opportunities to 429,800 active apprentices.

APPRENTICESHIP

Secretary's Strategic Vision of Good Jobs for Everyone		
Strategic Goal 1: Prepare workers for good jobs and ensure fair compensation	Related OA Performance Indicators	Related OA Activities and Strategies
Outcome Goal 1.1 – Increasing workers' incomes and narrowing wage and income inequality.	<i>Average earnings in the second and third quarters</i>	Registered apprenticeship provides regular wage increases as skills and productivity increases. In FY 2010, the average annual wage for completers of apprenticeship programs was \$54,000
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.	<i>No specifically applicable performance indicators</i>	OA continues to provide support and technical assistance to grantee recipients and partnering stakeholders to expand apprenticeship into new and emerging industries that utilize registered apprenticeship as a key element to prepare workers for green jobs.
Outcome 1.3 – Helping workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs.	<i>Percent of apprenticeship completers employed in the first quarter after exit</i>	ETA is seeking to increase consistency and quality of pre-apprenticeship and apprenticeship preparation initiatives.
Outcome Goal 1.4 – Helping middle-class families remain in the middle class.	<i>Percent of apprentices employed in the first quarter after exit still employed in the second and third quarters after exit that either completed or cancelled from their program</i>	ETA is conducting an evaluation to validate state based evidence that completers of registered apprenticeship earn almost a quarter of a million dollars more in lifetime earning than comparable job seekers.

Registered apprenticeship opportunities are developed and enhanced through strategic partnerships consisting of OA or a SAA, registered apprenticeship program sponsors, community-based organizations, educational institutions, the workforce system, and other stakeholders. Registered apprenticeship programs are sponsored and operated on a voluntary basis by individual employers, employer associations, or jointly through labor/management agreements. Registered apprenticeship program sponsors develop a set of structured standards that include requirements for related instruction and on-the-job learning with appropriate supervision. Sponsors then register their program standards and apprentices with the Department or a SAA recognized by the Department. Through apprenticeship agreements, sponsors and apprentices agree to the requirements of the registered program. At the successful completion of

APPRENTICESHIP

the on-the-job and instructional learning, apprentices receive a portable and national certificate of completion issued by the Department or a SAA, which is an industry-recognized credential.

A fundamental feature and distinction of registered apprenticeship programs are the provision of guaranteed wage increases that lead to a competitive salary and sustainable career from the start. Upon completion of a registered apprenticeship, workers earn hourly wages and yearly salaries that can help them find a path into the middle class and continue supporting their families.

Apprenticeship completers' average hourly wage is approximately \$26, and the apprenticeship completers' average yearly salary is \$54,000. According to a recent study in Washington State, completers of registered apprenticeship earn approximately \$225,000 more over the course of their lifetime than comparable job seekers (see <http://www.wtb.wa.gov/Documents/wtr2008summary.pdf>).

Another critical element of registered apprenticeship is intensive on-the-job learning combined with related theoretical instruction, which directly translates into apprentices gaining the skills necessary to succeed in today's knowledge-based economy. Building upon registered apprenticeship's success in traditional industries such as manufacturing and construction, OA and its partnerships with employers, industry associations, and labor management organizations have expanded registered apprenticeship into several high-growth and emerging sectors including biotechnology, energy, health care, information technology, transportation, and green jobs.

Number of Active Programs in High-Growth and Emerging Industries by Fiscal Year			
	Energy	Health Care	Transportation
2004	802	238	111
2005	825	243	90
2006	884	263	104
2007	927	304	117
2008	963	303	132
2009	911	352	139
2010	897	305	141

Another essential function in the Department's oversight of registered apprenticeship is to ensure the provision of equal opportunity for individuals – including women and minorities – to participate in registered apprenticeship programs. Today women remain significantly under-represented, while over 30 percent of apprentices are now from minority groups. Through strong enforcement of Federal regulations for equal employment opportunity in registered apprenticeship, OA also contributes to Department's outcome goal 3.1 of breaking down barriers to fair and diverse workplaces so that every worker's contribution is respected.

APPRENTICESHIP

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$21,542	167
2008	\$21,166	127
2009	\$21,447	127
2010	\$27,784	155
2011	\$0	155

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

The funds appropriated in support of the mission and functions of OA are administered from the Program Administration account. The Salaries & Expenses allocation supports the National Office and the six Regional Offices, along with salaries and expenses to support staff at 61 field offices. OA program responsibilities include staff promotional activities, outreach and education, and technical assistance provided to new and existing sponsors to develop, register, and maintain apprenticeship programs and apprentices. OA is also responsible for providing technical assistance to 25 SAA and the District of Columbia.

FY 2012

The FY 2012 Budget request of \$28,718,000 supports 156 direct full-time equivalent (FTE) staff. This represents an increase of \$934,000 and 1 FTE from the FY 2010 enacted budget. The additional FTE will support initiatives related to green jobs, pre-apprenticeship, and updating the regulatory framework for apprenticeship. The request funds a built-in increase totaling \$25,000 for rent and \$759,000 for IT upgrades.

Expand Strategic Partnerships and Registered Apprenticeship Opportunities in Green Jobs

The National Apprenticeship System will continue to engage in several strategies that support 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. A core strategy is conducting outreach to potential apprenticeship sponsors to build partnerships that expand the use of registered apprenticeship programs in targeted high-growth industries, with a particular focus on green jobs and health care. Meetings with the Secretary of Labor’s Advisory Committee on Apprenticeship (ACA), which includes more than two dozen representatives of employers, labor organizations, and state and local governments, will support these strategic efforts.

Formalize Pre-Apprenticeship

The Department is developing a policy for a national framework that would establish consistency and quality across pre-apprenticeship programs to support the achievement of Outcome Goal 1.3: Helping workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs. The framework would identify specific minimum elements that should be part of any program that uses the term “pre-apprenticeship.” A key part of this framework is defining pre-apprenticeship programs as targeted toward low-skill adults and youth, minorities, and women that have not traditionally benefitted from registered apprenticeship or that require additional

APPRENTICESHIP

assistance to qualify for available apprenticeship opportunities. In developing this framework, the Department will consult with apprenticeship stakeholders so that it incorporates national guidelines established by industry. As appropriate, direct entry and advanced placement into registered apprenticeship programs could be granted for participants in pre-apprenticeship programs that meet the elements established in the national framework and all requirements for selection into available registered apprenticeship openings. The Department will provide training on the proposed pre-apprenticeship framework to the registered apprenticeship, workforce, education systems, and community-based and advocacy organizations that serve individuals participating in pre-apprenticeship programs.

Such efforts build upon recent experience with WANTO grants and emerging partnerships with Job Corps and YouthBuild that indicate successes in placing targeted populations into registered apprenticeship programs after they complete pre-apprenticeship programs that specifically address the apprenticeship sponsors' selection requirements. The Department is also conducting an evaluation of registered apprenticeship, which will include a component on identifying best practices related to recruiting and retaining women in registered apprenticeship. Findings from this evaluation and the YouthBuild and Job Corps partnerships will inform these efforts to develop a national framework for pre-apprenticeship in FY 2012.

Implement Revised Regulatory Framework and Provide Technical Assistance

In FY 2009, the Department published a final rule revising regulations for labor standards for registration of apprenticeship programs. The rule took effect on December 29, 2008, and provided SAAs with up to an additional two years from the effective date to implement necessary changes. ETA will continue to provide technical assistance and direction related to this rule to the registered apprenticeship, public workforce system and education system as they develop and implement new policies and procedures.

OA staff will assume the functions and responsibilities associated with the final rule in FY 2012, including conducting additional quality reviews for new programs that are provisionally registered, and developing and registering competency-based or hybrid programs. A competency-based program requires an apprentice to successfully demonstrate acquired skills and knowledge with an on-the-job learning component and related instruction as verified by the program sponsor. A hybrid program requires the apprentice to complete a specified minimum number of hours for training and demonstrate competency in the defined subject areas.

Building upon the efforts to address diversity in registered apprenticeship that began in FY 2010 and continue through FY 2012, the Department will seek to revise the National Apprenticeship System's EEO regulations, which have not been revised since 1978. During FY 2011, the Department anticipates issuance of a proposal to update these regulations. This second phase of regulatory updates seeks to strengthen the EEO and affirmative action obligations of apprenticeship program sponsors, and will ensure that the EEO regulations are consistent and in alignment with the final rule on labor standards for registration of apprenticeship programs. Through these regulatory updates, OA will support the Department's efforts to break down barriers to fair and diverse work places so that all qualified women and minorities have access to training and employment in registered apprenticeship.

APPRENTICESHIP

Indirect Staff Support

The Apprenticeship activity in the Program Administration account also provides funding for the costs of staff in ETA's Office of Financial and Administrative Management (which includes the Office of Technology) and Office of Policy Development and Research to provide administrative management for Apprenticeship programs. Administration activities include grants and contract management, financial management, budget oversight, information technology, and performance management.

The request includes \$759,000 for IT costs associated with the on-going maintenance and licensing of new systems developed to improve cost and performance reporting, as well as support for efforts to improve open government and e-government. The funds will also be used to migrate state systems into the RAPIDS system.

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 National Apprenticeship System's accomplishments in FY 2010 for both OA and SAA states include:

- **50,000 Credentials Issued:** 50,243 program participants nationwide completed their apprenticeship and received a nationally recognized credential that is portable, stackable, and can provide a pathway to the middle class.
- **100,000 New Apprentices = 100,000 Jobs:** 101,585 new apprentices nationwide started registered apprenticeship programs. This equates to over 100,000 individuals entering jobs or returning to work, since registered apprenticeship is an "earn while you learn" model that combines employment with on-the-job learning and related technical instruction.

Other significant outcomes, activities and initiatives for FY 2010 included:

- **\$50,000 Annual Earnings for Program Completers:** Program completers earned an average annual salary of \$54,000 per year with many earning much more.
- **Green Occupations:** Two-thirds of the top 25 occupations ranked by total number of active apprentices (17 out of 25 occupations) were in Green occupations, as defined by O*NET.
- **High Growth and Emerging Industries:** Of the 988 new programs registered by OA staff, 780 were in high growth and emerging industries.

APPRENTICESHIP

- **Compliance Reviews and Quality Assurance Assessments:** OA staff completed 634 EEO compliance reviews and 1,621 quality assurance assessments.
- **Partnerships:** Established new partnerships with both YouthBuild and Job Corps that offer disadvantaged youth critical new pathways to advance their careers through registered apprenticeship.
- **New Occupations:** Approved several new apprenticeable occupations in high growth industries including Master Homeland Security Specialist, Wind Turbine Technician, Community Health Worker, and Plate Shop Operator, and others.
- **Pre-Apprenticeship:** Developed a draft quality framework for pre-apprenticeship programs and strategies to ensure sustainable career pathways that link to registered apprenticeship programs and sponsors.
- **Action Clinic:** Conducted a Boston “Action Clinic” to bring together state teams with representatives from workforce, education and registered apprenticeship systems to develop action plans to promote expanded partnerships and collaboration.
- **Revised Regulations:** Continued to work closely with program sponsors to implement revised regulations for labor standards for registration of apprenticeship programs that were issued in FY 2009. Provided technical assistance to SAAs regarding implementation of these regulations. In addition, OA staff consulted with stakeholders to better inform development of proposed revisions to registered apprenticeship’s EEO regulations.

Economic Recovery and Strategic Partnerships

The National Apprenticeship System built on its recent integration efforts by focusing on re-employment strategies that support economic recovery. Over the past few years, the Department has issued policy guidance and hosted “Action Clinics” to promote further integration between the education system, the workforce system, and registered apprenticeship.

Green Jobs

Registered apprenticeship played a key role in efforts to prepare workers for emerging green jobs and to identify career pathways that support underrepresented populations. In FY 2011, a significant portion of the Green Jobs Innovation Fund (GJIF) grant funds are designed to expand and recognize green pre-apprenticeship programs and link these programs to registered apprenticeship programs, community colleges, and other qualified training programs. The pre-apprenticeships will target underrepresented and disadvantaged populations.

Additionally, OA continued to provide technical assistance and support to national organizations that were awarded “Advancing 21st Century Registered Apprenticeship” grants to expand apprenticeship into green jobs and existing occupations that are enhancing green practices.

APPRENTICESHIP

DETAILED WORKLOAD AND PERFORMANCE				
	FY 2010 Enacted		FY 2011 Estimate	FY 2012 Request
	Target	Result	Target	Target
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.	--	--	--	--
Average Earnings: Average six-month earnings of apprentices employed in the first quarter after exit still employed in the second and third quarter after exit that either completed or cancelled from the program.	\$19,324.00	\$ 20,335.00	\$19,077.00	\$19,352.00
Active Apprentices (RAPIDS states)	367,930	322,707	340,765	346,400
Full Time Equivalent	155	155	155	156
EEO Reviews (Federal workload only)	530	634	530	584
Quality Reviews (Federal workload only)	1,060	1,621	1,060	1,168
New Programs (Federal workload only)	601	998	600	662
Quality Reviews for new programs one year after provisional registration since December 28, 2008 (Federal workload only)	797	395	435	475
Cost per Apprentice	\$76.00	\$86.00	\$85.00	\$85.00
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 Rate: Percent of apprentices employed in the first quarter after exit that either completed or cancelled from the program.	69.20%	63.60%	63.10%	63.60%
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 Rate: Percent of apprentices employed in the first quarter after exit still employed in the second and third quarter after exit that either completed or cancelled from the program.	81.80%	80.90%	78.90%	79.10%

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

APPRENTICESHIP

Workload and Performance Summary

The National Apprenticeship System's *critical input* is the FTE allocated to OA; and *critical outputs* are: (1) the numbers of active and new apprentices registered; (2) the number of EEO compliance reviews conducted; (3) the number of quality assurance assessments conducted; (4) the number of new apprenticeship programs registered; and (5) the number of quality assurance assessment reviews for new programs conducted one year after provision registration, as required by revised regulations. These five categories of outputs translate into measures of workload for OA's FTE. Therefore, targets and results for the FTE's workload measures are tied to program funding levels, or appropriations specifically for OA. The expected numbers of apprentices and programs registered, and reviews conducted will increase or decrease in relation to appropriation levels and levels of FTE.

Using the strategies outlined above – expanding strategic partnerships and increasing registered apprenticeship opportunities in green jobs and other high-growth and emerging industries; formalizing pre-apprenticeship, and implementing the National Apprenticeship System's revised regulatory framework– the Department will produce the outputs described in the table Detailed Workload and Production Table above. Outputs include:

- Number of apprentices
- EEO compliance reviews conducted
- Quality assurance assessments
- New apprenticeship programs

The Department will monitor and evaluate how these strategies contribute toward achievement of the Strategic Goal of preparing workers for good jobs and ensuring fair compensation by periodically reviewing the industries and occupations where new apprenticeship programs are being registered, with a focus on those in high growth and emerging industry sectors.

APPRENTICESHIP

The Department measures *outcomes* for the National Apprenticeship System through the common measures, which track employment outcomes for workers that either completed or cancelled from an apprenticeship program. These three indicators demonstrate how the *outputs* translate into the *apprentices' outcomes*: getting a good job, retaining that good-paying job, and earning family-sustaining wages.

The FY 2011 and FY 2012 targets have been adjusted based on a regression model that accounts for the effect of unemployment rates on program performance outcomes and OMB's assumptions about future unemployment rates and the CPI-U. As such, the targets have generally been adjusted downward to account for the current economic conditions, such as high unemployment rates in the construction industry. Targets for entered employment decrease from 69.2 percent in FY 2010 to 63.6 percent in FY 2012. Employment retention targets also decrease from 81.8 percent in FY 2010 to 79.1 percent in FY 2012. Results for the average earnings measure are expected to drop slightly in FY 2011 before rebounding in FY 2012: targets fall from \$19,077 in FY 2011, then increase to \$19,352 in FY 2012.

Over several years, the Department has found that the cost per apprentice remains generally constant at \$76. This measure is derived by dividing the Congressional Budget Request amount by the projected number of apprentices for a given year. The cost per apprentice is for the Federal functions of oversight and registration of apprenticeship programs and apprentices; it does not reflect the cost of the programs themselves, which are generally borne by the sponsor.

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
11.1	Full-time permanent	14,416	14,196	14,284	-132
11.3	Other than full-time permanent	185	0	0	-185
11.5	Other personnel compensation	503	503	506	3
11.9	Total personnel compensation	15,104	14,699	14,790	-314
12.1	Civilian personnel benefits	3,853	4,171	4,195	342
13.0	Benefits for former personnel	35	10	10	-25
21.0	Travel and transportation of persons	347	456	460	113
22.0	Transportation of things	1	4	4	3
23.1	Rental payments to GSA	1,256	1,338	1,371	115
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	187	187	188	1
24.0	Printing and reproduction	84	34	34	-50
25.1	Advisory and assistance services	319	836	836	517
25.2	Other services	68	68	68	0
25.3	Other purchases of goods and services from Government Accounts	3,754	2,992	3,004	-750
25.4	Operation and maintenance of facilities	3	3	3	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	1,740	1,790	2,555	815
26.0	Supplies and materials	154	403	404	250
31.0	Equipment	869	786	789	-80
42.0	Insurance claims and indemnities	10	7	7	-3
	Total	27,784	27,784	28,718	934
	1/Other Purchases of Goods and Services From Government Accounts				
	Working Capital Fund	3,476	2,805	2,814	-662
	DHS Services	278	187	190	-88

APPRENTICESHIP

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
One day less of Pay	0
Federal Employees Compensation Act (FECA)	0
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	25
All Other Rental	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services	0
Working Capital Fund	0
Other government accounts (Census Bureau)	0
Other government accounts (DHS Charges)	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$25**

Net Program **\$909**

Direct FTE **1**

Estimate **FTE**

Base **\$27,809** **155**

Program Increase **\$909** **1**

EXECUTIVE DIRECTION

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	9,166	9,166	9,174	8
FTE	49	47	47	-2

NOTE: FY 2010 reflects actual FTE. (Does not include FTE funded by the Recovery Act.). The authorized level was 47.

Introduction

The budget request provides for the Federal administration of Executive Direction. The staff funded under Executive Direction provides leadership and policy direction for every area of the Employment and Training Administration. Efforts under Executive Direction include program research, evaluation, pilot projects and demonstrations, as well as program management and legislative relations. These activities are administered through ETA's Office of the Assistant Secretary (ASET) and the Office of Policy Development and Research (OPDR).

The work performed by ETA under the Executive Direction of ASET and OPDR has a direct impact on the Department's Strategic Goal 1: Prepare workers for good jobs and ensure fair compensation. The following outcome goals are encompassed within these programs:

- 1.1 Increase workers' incomes and narrowing wage and income inequality.
- 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.
- 1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs.
- 1.4 Help middle-class families remain in the middle class.

The following performance items illustrate ETA's contribution to the goals above:

1.1 – Increasing the average earnings of individuals served through the Workforce Investment Act, Trade Adjustment Assistance, and Community Service Employment for Older Americans Programs.

1.2 – Increasing skill attainment, certification and work preparedness of individuals served through a range of programs to prepare them to compete in a knowledge-based economy featuring emerging industries such as green jobs.

1.3 – Providing workers with the resources necessary to increase their likelihood of obtaining middle-class jobs.

1.4 – Ensuring that those workers adversely affected by foreign and domestic economic conditions can remain in the middle class.

EXECUTIVE DIRECTION

The programs also address the following Priority Goals:

- By June 2012, increase by 10 percent (to 220,000) the number of people who receive training and attain a degree or certificate through the following programs: Workforce Investment Act (WIA) adult, dislocated worker and youth; National Emergency Grants (NEG); Trade Adjustment Assistance (TAA); and Career Pathways. Train over 120,000 Americans for green jobs by June 2012.

ETA supports these priority goals by increasing skill attainment, certification and work preparedness of individuals served through a range of programs to prepare them to compete in a knowledge-based economy featuring emerging industries such as green jobs.

Through the active engagement of ASET and OPDR, the following strategies support outcome results throughout ETA:

- Developing and managing pilot, demonstration, research, and evaluation activities, and analyzing and disseminating results of these activities, both to internal and external audiences.
- Collecting, analyzing, reporting and validating performance data on a regular basis from a variety of sources to create consolidated performance reports critical for agency decision-makers.
- Developing and refining performance measures in alignment with Federal priorities and creating short and long term performance goals.
- Setting national performance targets to effectively set the agenda for program performance in accordance with national priorities.
- Providing legislative support and coordinating the alignment of technical expertise with agency priorities, resources and capacity to improve the effectiveness and efficiency of existing programs, initiatives and policies.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$9,057	56
2008	\$8,078	52
2009	\$8,078	47
2010	\$9,166	47
2011	\$0	47

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

FY 2012

The FY 2012 Budget request of \$9,174,000 supports 47 FTE to continue work on ETA and Departmental initiatives including policy and legislative functions associated with implementation of WIA reauthorization, support for executing the agency's regulatory agenda, providing critical leadership to the agency on policy and regulatory issues, and project management for continuing evaluation efforts. This leadership and support is critical to the

EXECUTIVE DIRECTION

program offices as they implement their strategies to achieve the Department's performance goals. This represents an increase of \$8,000 from the FY 2010 enacted level; the requested increase funds built-ins for rent.

OPDR is responsible for developing actionable intelligence to assist ETA leadership, office administrators, and program officials in assessing and improving the operation, effectiveness, and efficiency of the public workforce system.

OPDR obtains this intelligence by conducting pilots, demonstrations, research and evaluations; interprets the findings, conclusions and recommendations into usable information; and disseminates reports and summaries to inform policy and program decision-making. Pilots and demonstrations of promising workforce development interventions and strategies enable ETA to determine if they are effective means of providing job training and can be replicated and brought to scale. Rigorous evaluations enable ETA to measure the impact of existing workforce development strategies.

OPDR also manages ETA program performance reporting and analysis; publishes performance data, and provides the tools that grantees use for data collection, validation, and performance reporting; and develops and publishes guidance letters and notices to inform the workforce system of new or revised reporting requirements. In doing so, OPDR provides ETA leadership and stakeholders with the timely and relevant feedback that supports good decision making.

Through legislative support activities, OPDR helps position the agency to provide leadership on legislative proposals that further the Department's goals. It also helps to identify and influence proposals in Congress that, if enacted, could positively or negatively impact the agency's ability to reach its outcome goals. OPDR also ensures that DOL and ETA priorities and expertise contribute to the development of policies, legislation and new programs government-wide.

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 appropriation of \$9,166,000 supported 47 FTE. The appropriation is financed by both General Revenue and Trust Funds. The Executive Direction budget activity included funding for the Federal staff responsible for the activities described above in the introduction.

In support of ETA, during FY 2010 OPDR:

- In FY10 ETA began several major random assignment evaluations, including evaluations of YouthBuild, Green Jobs, mentoring for Young Parents, and Transitional Jobs. ETA also began an evaluation of performance measurement in Job Corps. ETA Web-posted

EXECUTIVE DIRECTION

the plenary and workshop presentations from the Reemployment and Recovery Research Conference, and released eleven research and evaluation reports.

- Completed and released a report on state experiences with implementing the 2009 Recovery Act Summer Youth Employment Initiative (SYEI). ETA also initiated three additional studies related to the SYEI that focus on: 1) post-summer activities, 2) an analysis of state use of TANF Emergency Contingency Funds for summer youth, and 3) an evaluation of the Indian and Native American (INA) SYEI.
- Provided extensive technical assistance to the Senate HELP Committee staff to support their drafting of Workforce Investment Act reauthorization legislation, an administration priority, and provided substantial information to both houses to support the reauthorization process. .
- Managed and coordinated the ETA Regulatory Agenda, and supported the development of regulations on programs including the Senior Community Service Employment Program, YouthBuild, Unemployment Insurance, and the H-2B visa program.
- ETA awarded grants to 13 states under the Workforce Data Quality Initiative, designed to link workforce data with longitudinal education data. These grants were awarded in December 2010.
- Worked with states and IT staff on submission of WIA quarterly participant individual records. This change in reporting was implemented under the American Recovery and Reinvestment Act, and provides the agency more robust data to produce more timely analyses of WIA outcomes.
- Developed and issued revised guidance to workforce system about performance reporting requirements for the American Recovery and Reinvestment Act, to incorporate changes associated with reporting youth participants served with TANF resources, and other technical changes to the reporting specifications. (TEGL 7-10 Workforce Investment Act and Wagner-Peyser Act Performance Accountability Reporting for the American Recovery and Reinvestment Act of 2009) These reports enable the agency to report on youth and eligible claimants served by Recovery Act resources.
- Developed and issued guidance on the collection and reporting of WIA self-service participants. (TEN 8-10 Workforce Investment Act Self-Service Participant Reporting - What, Where, and How)
- Coordinated responses to approximately 20 ETA-related Government Accountability Office studies; several hundred congressional inquiries; and international inquiries from over 40 countries.
- Published on behalf of the agency, close to 600 Federal Register notices and over 140 official advisories, providing the public with important information and policy guidance.

EXECUTIVE DIRECTION

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
11.1	Full-time permanent	4,600	4,991	4,991	391
11.3	Other than full-time permanent	69	0	0	-69
11.5	Other personnel compensation	189	149	149	-40
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	4,858	5,140	5,140	282
12.1	Civilian personnel benefits	1,262	1,346	1,346	84
13.0	Benefits for former personnel	0	2	2	2
21.0	Travel and transportation of persons	92	92	92	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	587	617	625	38
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	70	70	70	0
24.0	Printing and reproduction	13	13	13	0
25.1	Advisory and assistance services	344	344	344	0
25.2	Other services	25	25	25	0
25.3	Other purchases of goods and services from Government Accounts	920	787	787	-133
25.4	Operation and maintenance of facilities	1	1	1	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	681	544	544	-137
26.0	Supplies and materials	47	39	39	-8
31.0	Equipment	263	143	143	-120
42.0	Insurance claims and indemnities	3	3	3	0
	Total	9,166	9,166	9,174	8
1/Other Purchases of Goods and Services From Government Accounts					
	Working Capital Fund	903	721	721	-182
	DHS Services	17	66	66	49

EXECUTIVE DIRECTION

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
One day less of Pay	0
Federal Employees Compensation Act (FECA)	0
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	8
All Other Rental	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services	0
Working Capital Fund	0
Other government accounts (Census Bureau)	0
Other government accounts (DHS Charges)	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$8**

Net Program **\$0**

Direct FTE **0**

Estimate **FTE**

Base **\$9,174** **47**