

FY 2014

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Community Service Employment for Older Americans

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

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COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

Appropriation Language

The Administration is requesting funding for this program in the Department of Health and Human Services.

GENERAL PROVISION TO TRANSFER CSEOA FROM THE DEPARTMENT OF LABOR TO DEPARTMENT OF HEALTH AND HUMAN SERVICES

TRANSFER OF OLDER AMERICAN COMMUNITY SERVICE EMPLOYMENT PROGRAM TO DEPARTMENT OF HEALTH AND HUMAN SERVICES

- (a) *IN GENERAL.*-Notwithstanding any other provision of law, the Older American Community Service Employment (OACSE) program under title V of the Older Americans Act of 1965 (42 U.S.C. 3056), and the authority to administer such program, shall be permanently transferred from the Secretary of Labor to the Secretary of Health and Human Services, acting through the Assistant Secretary for Aging.
- (b) *TRANSFER OF FUNCTIONS, ASSETS, AND LIABILITIES.*-The functions, assets and liabilities of the Secretary of Labor relating to the OACSE program shall be transferred to the Secretary of Health and Human Services.
- (c) *EFFECTIVE DATE OF TRANSFER.*-The transfer under this section shall be effective no later than the last day of the second full fiscal quarter following the quarter in which this section is enacted.

Note. A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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EXPLANATION OF LANGUAGE CHANGE

In FY 2014 and thereafter, the Administration has proposed to transfer responsibility for administering the Community Service Employment for Older Americans program authorized under Title V of the Older Americans Act (OAA), from the Department of Labor to the Department of Health and Human Services, which administers the other programs authorized under the OAA. The language providing for the transfer is contained in the General Provisions under Title V of this Act. The account for the appropriations to carry out the program is included in Title II under the appropriations to the Department of Health and Human Services.

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ANALYSIS OF APPROPRIATIONS LANGUAGE

Not applicable.

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AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2012 Revised Enacted		FY 2013 Full Year C.R.		FY 2014 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	\$449,100	0	\$450,994	0	\$0
Reduction Pursuant to P.L. 112-74 for FY 2012	0	-\$849	0	\$0	0	\$0
<i>Subtotal Appropriation</i>	<i>0</i>	<i>\$448,251</i>	<i>0</i>	<i>\$450,994</i>	<i>0</i>	<i>\$0</i>
B. Gross Budget Authority	0	\$448,251	0	\$450,994	0	\$0
Real Transfer From:	0	\$0	0	\$0	0	\$0
SUIESO	0	\$0	0	\$0	0	\$0
Offsetting Collections:						
Reimbursements	0	\$0	0	\$0	0	\$0
Fees	0	\$0	0	\$0	0	\$0
Expenditure Transfers to PA	0	\$0	0	\$0	0	\$0
<i>Subtotal Offsetting Collections</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>
C. Budget Authority	0	\$448,251	0	\$450,994	0	\$0
Before Committee	0	\$448,251	0	\$450,994	0	\$0
Real Transfer From:	0	\$0	0	\$0	0	\$0
SUIESO	0	\$0	0	\$0	0	\$0
Offsetting Collections:						
Reimbursements	0	\$0	0	\$0	0	\$0
Fees	0	\$0	0	\$0	0	\$0
Expenditure Transfers to PA	0	\$0	0	\$0	0	\$0
<i>Subtotal Offsetting Collections</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>
D. Total Budgetary Resources	0	\$448,251	0	\$450,994	0	\$0
Unobligated Balance End-of-Year	0	\$0	0	\$0	0	\$0
E. Total, Estimated Obligations	0	\$448,251	0	\$450,994	0	\$0

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2012 Revised Enacted	FY 2014 Request	Net Change
Budget Authority			
General Funds	\$448,251	\$0	-\$448,251
Total	\$448,251	\$0	-\$448,251
Full Time Equivalents			
General Funds	0	0	0
Total	0	0	0

Explanation of Change	FY 2012 Base		Trust Funds		FY 2014 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	0	\$0	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$0	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$448,251	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	0	+\$448,251	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Increase	0	+\$448,251	0	\$0	0	\$0	0	\$0
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
CSEOA FY 2014	0	\$448,251	0	\$0	0	-\$448,251	0	-\$448,251
Programs Subtotal			0	\$0	0	-\$448,251	0	-\$448,251
Total Decrease	0	\$0	0	\$0	0	-\$448,251	0	-\$448,251
Total Change	0	+\$448,251	0	\$0	0	-\$448,251	0	-\$448,251

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	FY 2012 Revised Enacted		FY 2013 Full Year C.R.		FY 2014 Request		Diff. FY 14 Request / FY 12 Rev. Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Community Service Employment for Older Americans	0	448,251	0	450,994	0	0	0	-448,251
General Funds	0	448,251	0	450,994	0	0	0	-448,251
Total	0	448,251	0	450,994	0	0	0	-448,251
General Funds	0	448,251	0	450,994	0	0	0	-448,251

**COMMUNITY SERVICE EMPLOYMENT FOR OLDER
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BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
	Full-Time Equivalent				
	Total	0	0	0	0
	Average ES Salary	\$0	\$0	\$0	\$0
	Average GM/GS Grade	0	0	0	0
	Average GM/GS Salary	\$0	\$0	\$0	\$0
	Average Salary of Ungraded Positions	0	0	0	0
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
25.2	Other services from non-Federal sources	0	0	0	0
41.0	Grants, subsidies, and contributions	448,251	450,994	0	-448,251
	Total	448,251	450,994	0	-448,251

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APPROPRIATION HISTORY (Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2004					
Base Appropriation...1/	\$440,200	\$440,200	\$440,200	\$438,650	0
2005					
Base Appropriation...2/	\$440,200	\$440,200	\$442,306	\$436,678	0
2006					
Base Appropriation	\$436,678	\$440,200	\$440,200	\$432,311	0
2007					
Base Appropriation	\$432,311	\$436,678	\$436,678	\$483,611	0
Legislative Proposal	-\$44,000	\$0	\$0	\$0	0
2008					
Base Appropriation...3/	\$350,000	\$388,311	\$388,311	\$521,625	0
2009					
Base Appropriation...4/ 5/	\$350,000	\$530,900	\$483,611	\$571,925	0
2010					
Base Appropriation	\$575,425	\$0	\$571,925	\$825,425	0
2011					
Base Appropriation	\$600,425	\$615,425	\$575,425	\$449,100	0
2012					
Base Appropriation...6/	\$0	\$0	\$0	\$448,251	0
2013					
Base Appropriation...	\$0	\$0	\$0	\$450,994	0
2014					
Base Appropriation...	\$0	\$0	\$0	\$0	0

1/ Reflects a 0.8% government-wide rescission pursuant to P.L. 108-447.

2/ Reflects a 1.747% rescission pursuant to P.L. 110-161.

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

4/ \$120,000,000 in Recovery Act funds were provided pursuant to P.L. 111-5

5/ Reflects a .2 across-the-board rescission pursuant to P.L. 112-10.

6/ Reflects a .189% across-the-board rescission pursuant to P.L. 112-74.

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	448,251	450,994	0	-448,251
FTE	0	0	0	0

Introduction

The Community Service Employment for Older Americans (CSEOA) program, also known as the Senior Community Service Employment Program (SCSEP), is the only federally funded program dedicated to serving unemployed low-income seniors. SCSEP supports employment of older workers by providing part-time, paid community service positions and work-based training for unemployed, low-income individuals, age 55 and older. SCSEP grantees served over 70,000 participants in the most recent 12-month period. The average age of participants at entry is 64 years.

SCSEP, as authorized by Title V of the Older Americans Act (PL 109-365, 42 U. S. C. 3056 et seq.) (OAA), has a dual purpose: “to foster individual economic self-sufficiency and to increase the number of participants placed in unsubsidized employment in the public and private sectors, while maintaining the community service focus of the program.” In Program Year (PY) 2011, 40.6 percent of participants exited the program and were employed in the quarter following exit. Of those, 72.9 percent retained employment through the next two quarters. In PY 2011, SCSEP participants contributed more than 43 million hours of community service to non-profit and governmental agencies in their communities.

As of October 1, 2012, SCSEP grantees include 56 units of state and territorial government and 15 competitively selected national grantees. SCSEP-funded services are available in nearly all 3,000 U.S. counties and territories. SCSEP funds are distributed by a statutorily-prescribed formula that considers the number of low-income seniors residing in each state and county.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$571,925	0
2010	\$825,425	0
2011	\$449,100	0
2012	\$448,251	0
2013	\$450,994	0

Funding Mechanism

SCSEP funds are allocated by a formula set forth in section 506 of the OAA. In general, the formula allocates funds to every state, the District of Columbia, and Puerto Rico based on U.S.

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Census data on the number of individuals in that jurisdiction who are 55 and older with a low per-capita income. Prior to determining the amount available to be allocated to the states, the District of Columbia, and Puerto Rico, funds are reserved for the following: 1) up to 1.5 percent of the total authorization as determined by the Secretary of Labor for pilots, demonstration, and evaluation projects; 2) a fixed percentage of 0.75 percent of the total allocation to the territories of Guam, the U.S. Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands; and 3) a portion determined by the Secretary of Labor for national public or non-profit agencies to serve eligible American Indian and Pacific Island/Asian American individuals.

After the reserve amounts are specified and the funding proportion for each state is determined by the formula, funds are allocated to and administered through grants to all state governors, Puerto Rico, the District of Columbia, and four territories and to national non-profit agencies. Approximately 22 percent of formula funds are awarded to the governors, with 78 percent awarded to national non-profit agencies for services across the country.

The Department of Labor (Department) conducted a competition for national grantees for FY/PY 2012 funds. The Department announced grants to 15 grantees, including two organizations under the Indian and Pacific Islands /Asian Americans set-asides, as a result of this solicitation for grant applications. Under the OAA 2006 amendments, these grants are to be renewed annually for four years, with an optional one-year extension.

In general, 75 percent of Federal funds must be spent on wages and benefits to participants, with the remaining funds for other participant costs, with an option to use up to 10 percent of these funds for training. There is a 13.5 percent cap on administrative expenses. The Federal funds provided to each of the grantees can be no more than 90 percent of the total project amount, with the non-federal matching requirement to be provided either in cash or in kind.

FY 2014

In FY 2014, the Department proposes to move SCSEP to the Department of Health and Human Services (HHS) Administration for Community Living. SCSEP has a dual purpose of providing community service and fostering economic self-sufficiency. Transferring SCSEP to HHS would place the program in an agency that shares the mission of helping older Americans maintain their independence (both economic and living arrangements) and active participation in communities.

The SCSEP program has been administered since its inception in 1965 by the Department of Labor, making it the only program under the OAA that is not housed within HHS. The OAA is the primary authorizing regulation for delivery of social services to seniors and their caregivers. At the state and local level, these services work hand-in-hand with SCSEP. Of the 56 state and territorial grantees that operate SCSEP programs, 39 are offices on aging, senior services or health and human services departments, and 17 are in state departments of labor. A move to HHS would consolidate Federal oversight of the OAA under one department, streamlining operations and putting Federal administration of CSEOA in alignment with operations in the field.

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Transferring SCSEP to HHS will also strengthen partnerships between SCSEP and safety-net programs outside the OAA. These include the Administration for Community Living's programs as well as utility discounts, food stamps, SSI, transportation assistance and subsidized housing. In addition to overseeing many of these added supports, HHS has an established relationship with the Corporation for National and Community Service's "Senior Corps" – an umbrella term for three federally administered national service programs which offer seniors the opportunity to be involved in community service.

At the same time, SCSEP would continue to be a vehicle through which unemployed seniors obtain work-based training, earn income, and move toward unsubsidized employment. The Department of Labor will continue its partnership with HHS to support the needs of seniors by training older workers to help other seniors thrive in the workforce.

The Pilots, Demonstration, and Research budget activity in the TES appropriation includes \$25,000,000 to pilot and evaluate potential low-cost structural changes to the public workforce investment system that will substantially improve services to seniors. As noted in a recent GAO report, "Unemployed Older Workers" (GAO-12-445), the long-term unemployment rate among seniors has risen faster and stayed higher than the long-term unemployment rate for the rest of the population. Two potential pilot areas are identified in GAO's recommendations: 1) developing job search assistance programs that address skill deficiencies common among seniors, and 2) changing the performance measures to eliminate the disincentives to placing older workers in part-time employment. Other potential pilot areas may be identified via the current process evaluation of senior-targeted job search assistance programs, or a review of existing literature. ETA will develop and conduct this pilot in consultation with the CEO.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

In FY 2012, a national grant competition for 78 percent of all SCSEP funds marked a transition from existing national SCSEP grantees to new national grantees. The Department awarded 15 grants to provide SCSEP services to approximately 3,000 counties and selected an American Indian grantee and a Pacific Island/Asian American grantee to provide additional services. As required by the legislation, new FY 2012 grantees were expected to assume their responsibilities with the least possible disruption to current participants. As stipulated in the competition SGA, grantees began serving participants on October 1, 2012. To ensure adherence to the statutes, policies, and regulations, the Department conducted mandatory training for both new and continuing grantees.

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The Department anticipated serving about 70,000 SCSEP participants in FY 2012 through the new national grants and on-going grants to all the states, District of Columbia, Puerto Rico and four U.S. territories. The Department supported positive employment and community service outcomes for these participants through ongoing programmatic technical assistance focused on several key areas: 1) developing and maintaining appropriate management strategies to ensure accountability and transparency; 2) evaluating and adjusting recruitment and enrollment policies; and 3) ensuring consistency and quality in grantee policies for areas such as for-cause termination, grievances, and individual durational limit policies.

In addition to the valuable community services provided by SCSEP participants, the Department believes that the SCSEP experience encourages trainees to continue volunteering after they leave the program. To acknowledge the value of post-SCSEP volunteering to both communities and to the participants themselves, the Department published a Final Rule on a performance indicator for volunteerism in FY 2012 to establish performance measures for the number of participants who volunteer after leaving SCSEP and the number of volunteer hours they contribute.

In FY 2012, the Department continued to build on the collegial work of 2011 as it implemented the competition SGA in collaboration with the HHS Administration for Community Living.

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DETAILED WORKLOAD AND PERFORMANCE							
	PY 2011 Enacted		PY 2012 Revised Enacted		PY 2013 Full Year C.R.	PY 2014 Request	
	Target	Result	Target	Result	Target	Target	
Community Service Employment for Older Americans							
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.							
ETA- CH1- SCSEP- GPRA- 03	Six Months Average Earnings (CSEOA)	\$6,984.00	\$7,580.00	\$7,975.00	--	\$8,151.00	--
	Authorized Positions (slots)	46,309	46,309	46,221	--	--	--
	Turnover Rate	1.53	1.24	1.53	--	--	--
	Participants Served	70,852	85,113	70,718	--	--	--
	Cost per Participant	\$6,338.56	\$6,338.56	\$6,338.56	--	--	--
Outcome Goal 1.3 - Help workers in low-wage jobs or out of the labor market find a path into middle class jobs.							
ETA- CH1- SCSEP- GPRA- 01	Entered Employment Rate (CSEOA)	44.10%	47.00%	48.60%	--	49.10%	--

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DETAILED WORKLOAD AND PERFORMANCE						
	PY 2011 Enacted		PY 2012 Revised Enacted		PY 2013 Full Year C.R.	PY 2014 Request
	Target	Result	Target	Result	Target	Target
ETA- Employment Retention Rate (CSEOA) CH1- SCSEP- GPRA- 02	64.50%	70.00%	70.10%	--	70.10%	--

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

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Workload and Performance Narrative

Note: The following narrative pertains to FY 2012 and FY 2013 only. The Workload and Performance Narrative for FY 2014 will be developed by Health and Human Services, Administration on Aging.

SCSEP uses five measures to track performance outcomes and determine if the program is meeting the proposed targets: Six Months Average Earnings, Authorized Positions, Turnover Rate, Participants Served, and Cost per Participant. Six Months Average Earnings indicates the average earnings in the second and third quarters after exit for those individuals who exit the program for unsubsidized employment. The number of authorized positions, turnover rate, participants served, and cost per participant are all directly related to allowance level. The number of authorized positions is calculated by dividing the total allowance by cost per position. The cost per position is determined by the Department in a formula in the SCSEP legislation. The national average unit cost includes all costs of administration, other participant costs, and participant wage and benefit costs as defined in Section 506(g) of the OAA. As previously noted, the cost per participant (shown in the above chart) is lower than the cost per position based on the turnover rate. Participant data is derived by using quarterly report estimates; all numbers are calculated on a four rolling quarter basis.

SCSEP also measures entered employment and employment retention in order to support progress toward the goal of helping workers who are in low-wage jobs or out of the labor market find a path to middle class jobs. In addition to these common performance measures, SCSEP is statutorily required to measure a series of additional outcomes, such as the aggregate hours of community service employment, the number of most-in-need individuals served, and retention in unsubsidized employment for one year. An annual customer satisfaction survey of participants, host agencies, and employers is also required. Performance targets are set for the program based on grantees' actual performance and adjusted grantee-by-grantee to the degree that they are affected by levels of poverty, unemployment, and participant barriers to employment in their local service areas.

The targets for entered employment, retention, and average earnings are based on a methodology for setting national performance targets using regression analysis. This regression uses program results from the prior year, current labor market conditions, and individual characteristics to correct for the effects of the business cycle and labor market conditions on the outcomes of employment and training programs, producing targets that objectively reflect the impact of the economic environment on program performance.

Where final data, rather than estimates, have been used to derive targets, the sources of these data are the SCSEP quarterly progress reports generated by the SCSEP Performance and Results Quarterly Progress Report (SPARQ) system, an online data collection and performance reporting system.

To gauge grantee progress toward the above targets, the Department tracks and monitors grantee outputs through intensive and ongoing program monitoring and oversight activities. Aggregate

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and grantee-level data from the SPARQ system is used to generate quarterly reports on performance. This information aids Federal Project Officers when conducting both on-site and desk reviews, as well as staff in the national office who track the performance on a regular basis. The Department aims to improve grantee performance through the technical assistance strategies used to support grantees, including webinars, desk aids, conferences, and regular conference calls and other communication with grantees. The annual customer satisfaction survey is conducted and reviewed by stakeholders, including the Department, grantees and employers. The survey provides insight on strengths and weaknesses of the program to aid in continuous program improvement efforts.

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CHANGES IN FY 2014 (Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
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Other services from non-Federal sources	0
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Grants, subsidies, and contributions	0
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Built-Ins Subtotal	\$0
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Net Program	-\$448,251
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Direct FTE	0
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	Estimate	FTE
Base	\$448,251	0
Program Decrease	-\$448,251	0