

FY 2017

**CONGRESSIONAL BUDGET JUSTIFICATION
EMPLOYMENT AND TRAINING ADMINISTRATION**

Overview

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EMPLOYMENT AND TRAINING ADMINISTRATION

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EMPLOYMENT AND TRAINING ADMINISTRATION

OVERVIEW

Introduction

The U.S. Department of Labor's Employment and Training Administration (ETA) helps workers attain the skills they need to secure jobs in a changing global economy, helps employers meet their needs for skilled workers, and supports programs that enrich and develop careers. These programs enhance American workers' ability to compete for good-paying jobs, while providing U.S. employers with the skilled labor they need for their businesses to grow and thrive. ETA aids in improving the efficiency of the U.S. labor market by raising the competitive advantage of millions of American workers through high-quality job training, employment assistance, access to labor market information, and income maintenance services. These services are provided primarily through state and local workforce development systems, forming an effective delivery system for millions of U.S. workers and employers. ETA administers programs with a goal of enhanced employment opportunities, business achievement, and prioritization of America's workforce.

The U.S. economy continues to grow, deepening the impact of the economic recovery in communities around the country. As of December 2015, the United States has experienced 70 consecutive months of net private sector job growth, extending the longest streak on record.¹ The current unemployment rate of 5.0 percent is the lowest level in more than seven and a half years, signaling a strong turn for the economy away from the Great Recession and towards economic advancement for millions of Americans. While these successes are encouraging, far too many hard-working individuals still have not been able to find a job or increase their earnings, and many businesses report difficulty hiring workers with the right skills for jobs that they want to fill.² In December 2015, there were still 7.9 million unemployed individuals, of whom 2.1 million (26.3 percent) are long-term unemployed (jobless for 27 or more weeks). In addition, there were 1.8 million workers who were only marginally attached to the labor force (those who have looked for a job in the prior 12 months, but not in the prior 4 weeks), of which 663,000 were discouraged workers who no longer believed they could find a job and thus were not actively seeking employment.³ For these reasons, the Administration remains unwaveringly focused on doing everything possible to strengthen the labor market and support the creation of good-paying jobs.

On July 22, 2014, President Obama signed into law the bipartisan Workforce Innovation and Opportunity Act of 2014 (WIOA), representing the first major reform of the Nation's job training system since 1998. WIOA presents an extraordinary opportunity to improve job and career options for our nation's workers and jobseekers through an integrated, job-driven public workforce system that links diverse talent to businesses. It continues to support the development of strong, vibrant regional economies where businesses thrive and people want to live and work.

¹ Statement of U.S. Labor Secretary Perez on December Employment Numbers, <http://www.dol.gov/newsroom/releases/opa/opa20160108>

² Office of the Press Secretary, the White House, Presidential Memorandum -- Job-Driven Training for Workers, January 30, 2014. <http://www.whitehouse.gov/the-press-office/2014/01/30/presidential-memorandum-job-driven-training-workers>

³ *The Employment Situation – December 2015*, <http://www.bls.gov/news.release/pdf/empsit.pdf>

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Continuing to build on the progress made through WIOA is a chief priority. In FY 2017, ETA will be in its third year of WIOA enactment; overseeing 126 Job Corps centers, about 2,500 American Job Centers, and serving over 23 million program participants.

Coinciding with the enactment of WIOA, the Vice President's July 2014 report entitled: *Ready to Work: Job-Driven Training and American Opportunity*, signaled the Administration's commitment to making Federally-funded employment and training programs more "job-driven" (singularly focused on preparing more Americans for work with marketable skills) and effective. These programs are particularly important to those hardest hit by global competition, technological changes, economic isolation, or insufficient opportunities for education. All American workers need the skills required to succeed in the globally competitive 21st century workforce.

ETA is committed to ensuring that its programs reflect a job-driven approach for training and employment services and that they are successful in getting jobseekers into good jobs and careers as quickly as possible. In FY 2017, ETA also will continue to build on the leadership and innovation taking place across the country to align workforce, education, and economic development systems, and to form public-private partnerships to ensure that jobseekers acquire the skills needed to enter career pathways and that employers' workforce needs are met. Finally, ETA's budget recognizes the need to be flexible, innovative and wise with taxpayer investments.

The FY 2017 Budget supports an integrated and effective public workforce system that seeks to achieve the following goals:

- *Create Pathways to High-Growth Jobs and Careers.* The Budget funds the core WIOA formula programs at their full authorized levels for the first time—a \$138 million increase from 2016. This will provide additional funds to local areas for job training and supportive service delivery to provide opportunities for American workers to train for in-demand, high-growth jobs. In addition, the Budget puts forward a substantial investment in high-quality training by investing \$3 billion in mandatory competitive funding for regional partnerships between workforce boards, economic development organizations, employers, K-12 career and technical education programs, and community colleges with the goal of training a half million people and placing them into jobs in high demand sectors. The FY 2017 Budget also continues the Administration's commitment to strengthening and reforming the Job Corps program and increasing students' achievement of academic, career technical training, and industry-recognized credentials that will lead to job placement in high growth industries.
- *Make Better Use of Data to Drive Smart Choices and Align Performance Data Systems.* The Department requests an additional \$34.0 million, for a total of \$40.0 million, under the Workforce Data Quality Initiative to help states build integrated data systems to streamline WIOA performance reporting; support states' efforts to create wage data matching infrastructure to streamline wage data access requests; and help high-achieving states fully implement their integrated data systems. This investment is critically needed to help states address aging infrastructure, which will directly impact the timeliness and quality of their performance reporting and ability to meet WIOA requirements to provide information to their customers. The Department is also proposing to launch customer service tools,

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including standing up a technology platform that all of the nearly 2,500 American Job Centers can use to report on customer service and developing a mechanism that will allow job seekers to quickly view customer satisfaction ratings for the job centers in their area. The Budget would also invest \$500 million in mandatory funding to create a Workforce Data Science and Innovation Fund that would invest in State data systems and create a Center of Excellence to help States develop the technology and data tools they need to facilitate informed consumer choice and provide high-quality guidance to workers.

- *Reconnect Workers to Jobs.* The Budget provides \$186 million for Reemployment Services and Eligibility Assessments—in person assistance to help workers find jobs paired with assessments to ensure claimants are still eligible for benefits. In 2017, the Budget provides sufficient funding for all veterans receiving unemployment compensation and approximately the top third of benefit claimants who are most likely to exhaust their benefits. In 2018 and beyond, the Budget proposes mandatory funding sufficient to continue to serve the top third of claimants identified as most likely to exhaust and all returning veterans receiving unemployment compensation.
- *Transform Registered Apprenticeship for the 21st Century.* Recognizing the value of work-based training, the President has committed to doubling the number of apprentices nationwide to give more workers the opportunity to develop job-relevant skills while they are earning a paycheck. This proven training model is a “win” for workers and employers alike: on average, apprentices earn \$50,000 a year and increase their lifetime earning potential by \$300,000, and employers create a pipeline of qualified workers. The Budget invests in this proven strategy, sustaining the new \$90 million in grants provided in 2016 — a landmark investment—and adds a \$2 billion mandatory Apprenticeship Training Fund. Of the \$2 billion, \$1.3 billion would be used to increase employer take-up of the model, \$500 million would be dedicated to an innovation fund that rewards partnerships which expand access to apprenticeships and link the model to career pathways, and \$200 million would support the development and expansion of pre-apprenticeship programs.
- *Open Doors for Disconnected Youth.* Approximately 6 million Americans between the ages of 16 and 24 are out of school and not working, a tremendous untapped resource. Most of these youth are from low-income families, and have little access to the networks and guidance needed to connect to the workforce. The Budget invests \$5.5 billion in mandatory funding to provide these youth with the valuable experience of a paid job and transform communities struggling with high rates of youth disengagement, high school dropouts, and unemployment into places of opportunity for young adults. The Budget also seeks an additional \$2 million for a training pilot to serve Native American youth residing off-reservation.
- *Reducing Unnecessary Licensing Requirements.* The Budget builds on the investment provided in the FY 2016 Omnibus and provides a total of \$10 million for grants to states and partnerships of states to identify and address areas where occupational licensing requirements create an unnecessary barrier to labor market entry or mobility and where interstate portability of licenses can improve economic opportunity, particularly for dislocated workers, transitioning service members, veterans, and military spouses.

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- *Modernizing and Strengthening the Unemployment Safety Net.* The current Unemployment Insurance (UI) program does not reflect the modern economy or workforce, so the Budget proposes a cost-neutral suite of reforms to update UI. These reforms would reach more low-income and vulnerable workers, strengthen the program's connection to work, protect workers if they have to take a pay cut when starting a new job, make the UI program more responsive to economic downturns, and improve the solvency of State programs.

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Executive Summary

The proposed FY 2017 funding level for ETA supports the President's vision of job-driven training that provides workers the opportunity to acquire the skills that they need to pursue in-demand jobs and meet businesses' workforce needs. This Budget also reflects smart, evidence-based investment choices that increase the impact and cost-effectiveness of the public workforce system and supports the Secretary's goal of promoting and protecting opportunities for all American workers. ETA requests a total of \$10.34 billion including:

- **\$9.491 billion** in discretionary funding for activities aligned under the Training and Employment Services (TES), State Unemployment Insurance and Employment Service Operations (SUIESO), Job Corps, Community Service Employment for Older Americans (CSEOA), and Program Administration (PA) accounts;
- **\$849.0 million** in mandatory funding for Federal Unemployment Benefits and Allowances (FUBA)

Training and Employment Services

The funding request level for the TES account is \$3.525 billion and includes the following budget activities:

- \$2.848 billion for formula grant programs plus \$230.9 for National Dislocated Worker Grants:
 - \$842.4 million for WIOA Adult Employment and Training Services.
 - \$1.3 billion for WIOA Dislocated Worker (DW) Employment and Training Activities. This request includes \$1.1 billion for DW formula funds and \$230.9 million for the National Dislocated Worker Grants to continue to meet unanticipated increases in demand for employment and training services throughout the country. A portion of the Dislocated Worker Grant money is available for technical assistance to states and localities.
 - \$902.1 million for WIOA Youth Activities.
 - Within these activities, the Department is requesting the WIOA-authorized funding levels for the Adult, Youth, and Dislocated Worker (DW) formula programs, as well as the current, WIOA-authorized 15 percent level for the Governor's Reserve. This will support states in carrying out their significantly broadened strategic and administrative roles under WIOA to drive federal workforce investments to be more effective in providing services and fully align with the job-driven vision.
- \$95.1 million for the Reintegration of Ex-Offenders (RExO) program, which is an increase of \$7,000,000 over the FY 2016 appropriation, to fund RExO projects that serve justice-involved adults and youth, particularly in areas affected by recent unrest. This includes approximately \$15 million to continue building on the lessons learned from the rigorous formative evaluation of the original Linking Employment Activities Pre-Release (LEAP) grants, which funded a number of satellite American Job Centers within local and state correctional facilities. The Budget also includes resources for a program for at-risk youth to explore careers in law enforcement.

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- \$52.0 million for the Indian and Native American training program to address the urgent needs facing the Indian and Native American population. The increase in funding will go to high-performing Federally Recognized tribes and Indian-serving organizations that have the capability to pilot year-round youth programs that focus on educational and credential attainment for low-income Native American youth, particularly those who do not live on reservations.
- \$81.9 million for the Migrant and Seasonal Farmworker program to provide job training and employment assistance for migrant and seasonal farmworkers and prepare them for stable, year-round employment both within and outside of agriculture.
- In addition, the Budget includes an appropriations language change to alter the period of availability from July 1, 2017 – June 30, 2018 to April 1, 2017 – June 30, 2018 for both the Indian and Native American program and the Migrant and Season Farmworker program. The current obligation period that starts on July 1 coincides with the beginning of the grantees' performance period for these programs, which means that grantees often experience a delay before the grants can be funded.
- \$84.5 million for the YouthBuild program that will support the continued focus on ensuring that participants attain credentials (high school diplomas or its equivalent and industry-recognized credentials) and post-program placement in jobs with career advancement potential, in post-secondary education including community colleges, and in Registered Apprenticeships.
- \$40.0 million for the Workforce Data Quality Initiative (WDQI) that expands upon the success of WDQI in assisting states in developing or enhancing their longitudinal database to link education and workforce data and emphasizes the importance of developing the IT systems necessary to fully implement the performance accountability and evaluation provisions of WIOA. This is a \$34 million increase over the FY 2016 enacted level, the majority of which will help States build integrated or bridged data systems to facilitate WIOA implementation, including building State-based wage data matching infrastructure to improve performance reporting for the workforce system.
- \$90.0 million to expand opportunities for apprenticeship grants, cooperative agreements and contracts that will support innovative, job-driven approaches resulting in the expansion of Registered Apprenticeship programs to train workers with 21st-Century skills that meet employer and industry workforce needs.
- \$3.2 million for Technical Assistance, which is necessary for the Department to be responsive to the needs of the system and assist states in the third year of WIOA implementation. In addition to building upon efforts provided through Dislocated Worker National Reserve technical assistance, the Department will assess the first year of WIOA implementation in order to determine the areas of priority, which will include a strong focus on strategic planning, resource and programmatic alignment, as well as accountability and transparency.

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State Unemployment Insurance and Employment Service Operations

The funding request level for the SUIESO account is \$3.596 billion and is comprised of the following budget activities:

- \$2.778 billion for Unemployment Insurance (UI), including: \$2.592 billion for State Administration, which includes \$10.0 million to reduce worker misclassification; \$185.9 million for UI Reemployment Service and Eligibility Assessments program (RESEA), of which \$35 million will be funded through a program integrity cap adjustment; and \$15.2 million for UI National Activities;
- \$699.8 million for Employment Service (ES), including \$680.0 million for ES Grants to States and \$19.8 million for ES National Activities;
- \$62.9 million for Foreign Labor Certification, including \$48.7 million for Program Administration and \$14.3 million for State Grants; and
- \$75.2 million for E-Tools/Workforce Information/Capacity Building, which expands upon the Occupational Licensing Grants provided in FY 2016 for a total of \$10 million. These resources will support a consortium (or multiple consortia) of States to expand reciprocity for a range of occupational licenses and reduce excessively burdensome licensing barriers, an increase of \$2.5 million over the FY 2016 enacted level. In addition, the Department is proposing an increase of \$5.0 million for O*NET Modernization and customer service tools. This includes \$2.5 million to modernize data collection for the Occupational Information Network (O*NET), the primary database on occupations and required job skills, which will improve its accuracy and promote better matching to good jobs based on skills between workers and the employers who rely on the database. In addition, \$2.5 million will be used to implement a national customer service measure that would track how well American Job Centers are meeting the needs of American workers who interact with the workforce system.

Job Corps

The Budget announces the initiation of an external review of the Job Corps program, with the goal of building a strong foundation of ideas to help the program to improve and evolve. The funding request for the Job Corps account is \$1.755 billion (an increase of \$65.4 million), including increases of \$26.7 million for Operations, \$30 million for Construction, and \$8.7 million for Administration. These increases will allow the Job Corps program to pilot a new model for younger Job Corps participants, enhance oversight of the Job Corps program, increase the safety and security of Job Corps students and staff, and reduce the backlog of construction projects. The request includes the following budget activities:

- \$1.6 billion for Operations, which represents a \$26.7 million increase from the FY 2016 Enacted level, including a request to focus funds on maintaining a safe environment for residential students. In addition, ETA will continue its aggressive reform efforts, which

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include launching an external program review, piloting a series of novel approaches to the provision of services, replicating the practices of high-performing centers, adopting cost-saving reforms, and closing low-performing centers. If the decision is made to close a center, the Department will comply with all required notification.

- \$105.0 million for Construction, Rehabilitation, and Acquisition (CRA), a \$30.0 million increase over FY 2016, which includes increased funding for security upgrades and resources to address the backlog of construction and rehabilitation projects. This investment will enable Job Corps to address ongoing CRA needs, which include the construction and rehabilitation of facilities; repairs and upgrades to mitigate conditions that threaten life, safety and security; and modernization of education and training buildings; and
- \$41.0 million for Job Corps Administration and 187 FTE, which is an increase of \$8.7 million and 27 FTE over the FY 2016 enacted level. These resources, which will increase oversight and monitoring of the Job Corps program, are critical given the recent safety incidents at certain centers. The funds will be used to build on the quality assurance and risk assessment work that has been achieved thus far to ensure that every Job Corps student is safe while on center. In addition, the request includes resources to support WIOA implementation and improve the Regional Office Center Assessment process so that the information collected is more searchable and readily available to inform management's decision-making process.

Program Administration

The Program Administration (PA) appropriation provides funding for staffing to administer most ETA programs. The 2017 request of \$180.8 million supports 812 direct FTE positions. Federal staff in ETA play a crucial role in ensuring that the Department achieves the desired outcomes in support of its strategic goals and priority performance measures. The PA appropriation includes the following budget activities:

- \$86.9 million for Training and Employment;
- \$43.5 million for Workforce Security;
- \$40.1 million for Apprenticeship; and
- \$10.3 million for Executive Direction.

ETA is also requesting a modification to a General Provision to allow for a set aside of up to 0.5 percent of funding to be used for program integrity and improvement activities.

Community Service Employment for Older Americans

The Department requests \$434.4 million for the Community Service Employment for Older Americans (CSEOA) account, also known as the Senior Community Service Employment Program (SCSEP). The FY 2017 Budget also requests CSEOA appropriations language changes for SCSEP. Under this proposal, the obligations period would change from July 1, 2017 - June 30, 2018 to April 1, 2017 - June 30, 2018 for SCSEP under the CSEOA appropriation. In addition, the Budget reforms the program by awarding more competitive grants, adjusting

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income eligibility to serve those most in need, and promotes placement in for-profit organizations which can offer SCSEP participant better long-term unsubsidized employment prospects.

Federal Unemployment Benefits and Allowances (FUBA)

The Federal Unemployment Benefits and Allowances (FUBA) account funds Trade Adjustment Assistance for Workers (TAA), a Federal program that assists U.S. workers who have lost their jobs as a result of foreign trade. Through a variety of benefits and services, the TAA program provides trade-affected workers with opportunities to obtain the support, resources, skills, and credentials required to meet the needs of employers and secure good jobs in high-demand industries.

The FY 2017 budget request is a \$12 million decrease from the revised FY 2016 FUBA enacted amount of \$861 million, due to the expected decrease in the national unemployment rate, which leads to fewer workers eligible for TAA.

The FY 2017 budget request amount of \$849 million includes \$450 million in funds for Training and Other Activities (TaOA), \$357 million for Trade Readjustment Allowances (TRA), and \$42 million for Alternative/ Reemployment Trade Adjustment Assistance (A/RTAA) to operate the TAA Program under the Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA 2015) and the “grandfathered” versions of the program as detailed in the budget.

Additional Mandatory Proposals

The Department’s mandatory proposals seek to broaden access to opportunity through job-driven training and employment services; ensure that workers who lose their jobs have access to critical supports to help them get back on their feet; and test new approaches to paid leave to help workers balance work and family responsibilities.

Apprenticeship

The 2017 Budget will include a \$2.0 billion Apprenticeship Training Fund to bring more employers to the table in providing high-quality on-the-job training through Registered Apprenticeship, and to equip states and regions with the expertise and resources to assist employers in creating or expanding apprenticeships, and to link apprenticeship with further pathways in higher education. Through this one time investment, the President calls on Congress to expand quality apprenticeships with the goal of meeting the President’s goal to double the number of Registered Apprenticeships across the country.

American Talent Compact

The 2017 Budget includes a request for \$3.0 billion over five years to launch an American Talent Compact to enhance and speed our job-driven training efforts. Under this proposal, regional collaborations of workforce boards, economic development organizations, employers, K-12 Career and Technical Education programs, and community colleges will recruit, assess, and train American workers to meet the needs of local businesses that are willing to provide workers with

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good jobs at good wages. The proposal would train over half a million people for in-demand jobs over five years.

Career Navigators

The Department's FY 2017 Budget includes a request for \$1.5 billion over five years to establish Career Navigator positions in American Job Centers. Career Navigators will proactively reach out to individuals who have been left behind in the new economy, rather than putting the onus on those individuals to come into an American Job Center. They would help workers as they look for a new job, identifying training options that are producing strong outcomes, and helping workers to complete eligibility forms and assessing what funding they qualify for and where they could get additional services if needed.. Career Navigators would reach an additional 1 million Americans each year.

Workforce Data Science and Innovation Fund

The Budget requests \$500.0 million over five years will be used for the WIOA Workforce Data Science and Innovation Fund to focus on reducing the costs and increasing the quality of integrated state labor data systems through foundational investments to develop open source data analytics tools, standard data exchange formats, and scalable, open-source database architectures. It will also focus on developing new data standards and open data products on jobs, skills, and training outcomes and building a best-in-class team of private sector researchers, statisticians, data scientists, innovators, entrepreneurs, behavioral scientists, and engineers.

Opening Doors for Youth

The Department is also requesting \$5.5 billion over four years for the Opening Doors for Youth to a First Job and a Degree Program. This program will center on making a commitment to a first job and a degree for youth program participants. Of this amount, \$1.5 billion would go to supporting summer job opportunities linked to career information and training opportunities. Another \$2.0 billion would go to investing in first jobs for disconnected "Opportunity Youth,"⁴ and would help place young adults who have been out of school and work into up to a year of paid work. The Administration also proposes investing \$2.0 billion in Connecting for Opportunities, which would provide competitive grants to transform communities with high rates of youth disengagement, high school dropouts, and unemployment into places of opportunity for young adults to help them succeed in school and the labor force. The Departments of Education and Labor will jointly administer this program, which will fund the development of comprehensive, community-based pipelines to support disconnected youth in re-connecting to educational and workforce pathways.

Modernized Unemployment Insurance System

The Budget also proposes a cost-neutral suite of reforms to update the UI program so that it reflects the modern economy and workforce. These reforms will mean that more workers will have access to UI if they lose a job, and will strengthen the program's connection to work, protect workers if they have to take a pay cut when starting a new job, make the UI program more responsive to economic downturns, and improve the solvency of State programs. In

⁴ <http://youth.gov/youth-topics/reconnecting-youth/shared-goal-statement>

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addition, the Budget includes mandatory proposals to improve program integrity and to ensure sufficient funding for RESEA services.

These proposals include:

- A cost -neutral suite of reforms to strengthen and modernize the UI program, consisting of:
 - **UI Solvency.** Three out of five State UI programs are insolvent, and only 20 States have sufficient reserves to weather a single year of recession. Low State reserves remain a serious threat to UI for working Americans. The President's proposal would put State unemployment insurance programs on a path to permanent solvency while ensuring they have sufficient reserves to weather the next economic crisis. The proposal would modernize Federal unemployment insurance taxes and hold States accountable for maintaining sufficient reserves to provide benefits for at least six months of an average economic recession.
 - **Expanded Access to UI Benefits and Services.** The Budget makes changes to ensure that UI benefits and reemployment opportunities are available to more workers who need them. The Budget requires UI coverage for part-time workers and those who must leave a job due to compelling family reasons like domestic violence or family illness, and mandates the provision of at least 26 weeks of benefits, so workers have time to get back on their feet. Building on the success of the Recovery Act, the Budget also includes a \$5 billion Modernization Fund to incentivize States to make other improvements in their UI programs' coverage, benefits, and connection to work. Through the Modernization Fund, States would be encouraged to allow workers to retool their skills to prepare for new job opportunities while receiving UI benefits and to create apprenticeship and on-the-job training programs to help the unemployed get back to work.
 - **Wage Insurance.** Wage insurance would provide a safety net for workers who lose their jobs and become reemployed at lower wages at least initially, often in new industries. The Budget proposes establishing wage insurance for all workers with at least three years of job tenure who are laid off and become reemployed in a lower-paying job at less than \$50,000 per year. Wage insurance would pay half of the difference between the previous wage and the new wage, up to a maximum of \$10,000 over a period of two years. The goal of the program is two-fold: help workers who return to work at lower wages on a temporary basis as they gain a foothold in their new jobs and provide workers an incentive to return to work, even if they must take a pay cut relative to their former employment.
 - **Work Sharing.** Work-sharing programs, also known as Short Time Compensation (STC), encourage employers to avoid layoffs by temporarily reducing hours when their need for labor falls and providing employees with a partial UI benefit to help compensate for their lower wages. Aided by incentives that were enacted in the Middle Class Tax Relief and Job Creation Act of 2012, about half the States are now operating STC programs. The Budget seeks to expand on this progress by renewing expired incentives for States to enact programs, providing for a 50-50 Federal cost share for STC benefits when State unemployment is high, and encouraging employers to use STC by allowing States

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to reduce their UI taxes for the portion of benefits that is paid by the Federal Government.

- **Extended Benefits During Recessions.** The Budget seeks to create a more inclusive and responsive unemployment system by establishing a new Extended Benefits program to provide additional benefits during economic downturns. The new permanent Extended Benefits program would provide up to 52 weeks of additional federally-funded benefits for States seeing increased and high unemployment, with the number of weeks tied to the State's unemployment rate. This new program would ensure that the UI system responds quickly, providing critical support for unemployed workers in States where jobs are scarce, and helping to reduce the severity of recessions by providing timely economic stimulus.
- A comprehensive integrity legislative package designed to provide states with new tools and resources to combat UI fraud and improper payments.
- An investment of \$190 million to provide in-person reemployment services to Unemployment Insurance (UI) beneficiaries most at risk of exhausting their benefits, as well as all returning veterans who are receiving UI, reaching one-third of UI claimants. Evidence suggests these services are a cost-effective intervention that gets workers back into jobs faster with higher wages.

Paid Leave

Lastly, the FY 2017 Budget includes a proposal for the mandatory Paid Leave Partnership Initiative for \$2.213 billion to help up to five States set up paid leave programs and assist with benefit payments for the first three years.

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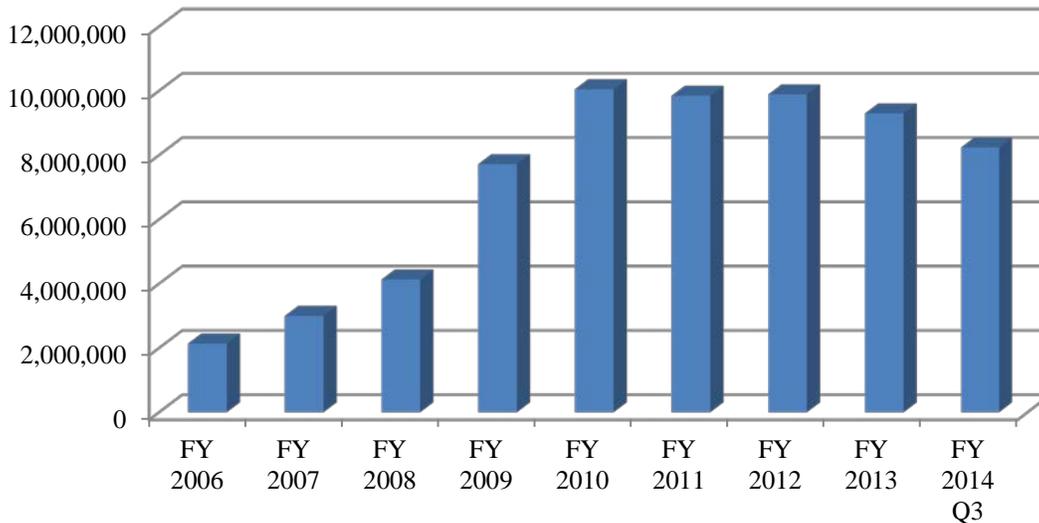
Performance Management in the Employment and Training Administration

ETA's review of outcome data and program improvement plans supports Departmental decision-making and achievement of the agency's strategic and performance goals. Quarterly and annual data available to all stakeholders help to demonstrate that ETA programs help America's workers acquire the skills necessary to succeed in a knowledge-based economy. Training and employment programs collect information on the numbers of individuals served, the types of services provided, personal characteristics of individuals, and program outcomes. Workforce security programs collect information on the timeliness of processing applications, measure integrity to reduce fraud, facilitate reemployment claims, and make employer determinations for tax liability.

Performance accountability remains a focal point as grantees transition to WIOA. WIOA further emphasizes this point by using data performance standards to inform program implementation, improve state plans, and provide more transparent performance outcome results. The Act also calls for unprecedented collaboration at the local, state, and Federal levels. The Departments of Labor and Education have jointly developed ideas, plans, and implementation is evident in the current proposed rule. Both of the Departments are committed to continue this level of collaboration throughout the life of WIOA. Additionally, the Act provides for enhanced data collection and reporting. For example, local areas, training providers, and potential participants will be able to view performance outcome information on eligible training providers in a very clear, concise, and uniform way across the country.

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**ETA Participants Served FY 2006-FY 2014 Q3
(Not including UI and ES)**



Overall, the number of participants served in ETA’s employment and training programs increased between FY 2006 and the third quarter of FY 2014 (June 30, 2014) from just over 2 million participants to roughly 8.2 million, as shown in the bar chart above.⁵ The total number of participants peaked in FY 2010, which coincides with the peak of the recent recession. These numbers include participants in all ETA programs except the UI and Wagner-Peyser Act Employment Service programs. The chart includes WIA Adult, Dislocated Worker, and Youth; National Emergency Grants; the National Farmworker Jobs Program; Indian and Native American Programs; Registered Apprenticeship; Community Service Employment for Older Americans; TAA; Reintegration of Ex-Offenders; the Youthful Offender Initiative; H-1B Technical Skills Training Grants; the Green Jobs Innovation Fund Grants; Job Corps; and YouthBuild.

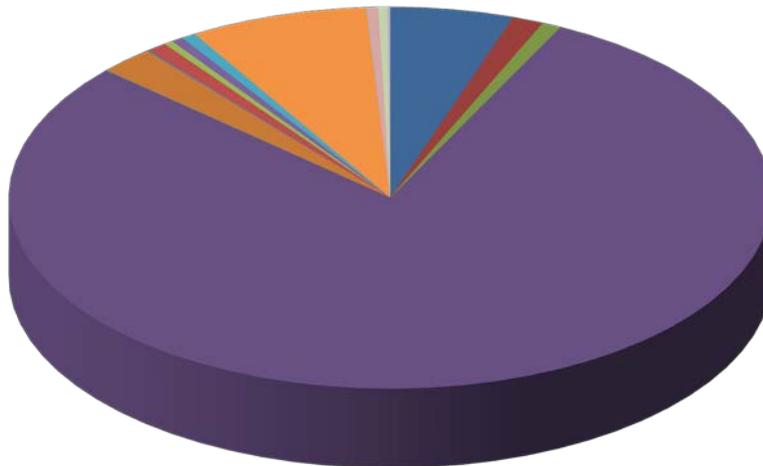
The increase in participation is attributed to a number of factors. For instance, ETA encouraged enrollment of participants in multiple programs to obtain the breadth of integrated services that lead to improved participant outcomes, which has resulted in a number of states co-enrolling their Wagner-Peyser Employment Service participants in their WIA Adult programs. Another factor that contributed to increases in all of the programs was the impact of the economic downturn, coupled with the peak year availability of additional resources from the American Recovery Reinvestment Act (ARRA) that were available to serve those looking for work.

⁵ While Fiscal Year (FY) is cited in this section, most of the employment and training programs are administered by Program Year (PY). Most PY programs start in July of the following calendar year. Complete FY 2014 data are not yet available. As a result, the data provided for FY 2014 correspond to the four quarter period ending March 31, 2015. Additionally, some duplication of participation among multiple ETA programs is possible in the corresponding yearly participation counts.

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Participants Served by Employment and Training Programs FY 2014 Q2

■ Registered Apprenticeship 430,355	■ Job Corps 109,523
■ Senior Community Service Employment Program 67,123	■ Workforce Investment Act (WIA) Adults 6,520,796
■ Reintegration of Ex-Offenders 3,717	■ WIA Youth 192,699
■ Youthful Offenders Initiative 7,449	■ H-1B Technical Skills Training Grants 70,065
■ Indian and Native American Adult Program 31,765	■ National Farmworker Jobs Program 41,300
■ Trade Adjustment Assistance 51,133	■ WIA Dislocated Workers 623,493
■ Indian and Native American Youth Program 3,970	■ YouthBuild 36,997
■ National Emergency Grants 31,811	■ Green Jobs Innovation Fund Grants 9,824



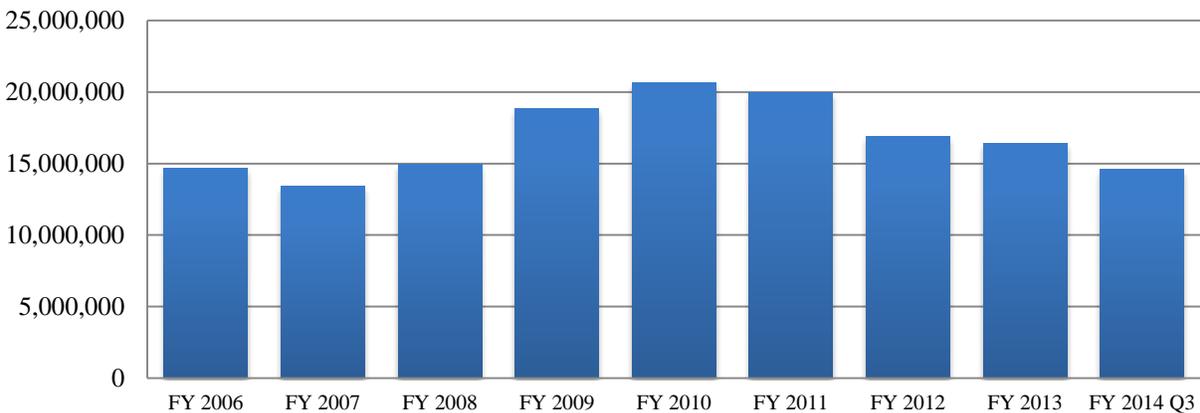
Total: 8,232,200 Participants

As indicated in the chart above, over 80 percent of the participants served by ETA programs (excluding UI and ES) are registered in the WIA Adult program. The other 20 percent of participants were served by the other eight programs. Among these programs, WIA funds also account for the majority of the funding. WIA Adult program participation increased from 1,059,755 in FY 2006 to 8,232,200 through March 31, 2015. Initially, the increases were primarily attributable to the inclusion of self-service participants and participants co-enrolled in both WIA Adult and the Employment Service, who receive more than core services through the American Job Center network system. In FY 2009 and through FY 2012, however, participation dramatically increased due to increased demand for services caused by increased unemployment, plus the availability of additional resources through the ARRA. As noted earlier, participation began to level off in FY 2011, and continued to do so in FY 2012 for the WIOA Adult, Dislocated Worker and Youth formula programs, as unemployment has decreased and resources were reduced. Although the majority of program increases in the WIOA formula programs have been used to increase resources for the Governors' set-aside, the Department also expects states to increase the number of participants served with the additional funding.

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The number of participants served by Wagner-Peyser Employment Service operations increased from roughly 14 million in FY 2006 to the peak of more than 22 million in FY 2010, which aligns with the peak of the recent recession, and the availability of additional funding through the ARRA. Participation has fallen steadily since then. ETA projects a slight decline in participation as the economy continues to improve. Because the long-term unemployed continue to struggle to find jobs despite a robust economy, the Department's shift toward serving this population has become even more important.

Wagner-Peyser Participants Served FY 2006 - FY 2014 Q2



The recession underscored the need to take into account the effect of labor market conditions on the ability of program participants to attain jobs when setting performance targets. In FY 2010, ETA began to use a regression-based adjustment method for setting national performance targets. The methodology uses the most recent observed actual performance outcomes as the base and adjusts them using the Office of Management and Budget's forecasts of the unemployment rate and the consumer price index (CPI) and the estimated impacts those variables have on performance outcomes in order to estimate the effects of expected future economic conditions on the common performance measure outcomes. Results from the regression model reveal a negative, and statistically significant, relationship between unemployment rates and the common measure performance outcomes. The evidence shows that when unemployment is high, it is more difficult for ETA program participants to find jobs, stay in those jobs, and earn high wages. Thus, during periods of high unemployment, the model will revise performance targets downward, and as labor markets recover and unemployment numbers drop, performance targets will increase accordingly. The regression-adjusted method is intended to make performance targets more realistic, thus reducing disincentives to serve harder-to-serve participants. Use of a more systematic method for setting performance targets contributes to ETA's efforts to provide all workers with progressive levels of education and job training that will lead to good jobs and a pathway to the middle-class.

In FY 2011, ETA developed performance targets at the state and local Workforce Investment Board (WIB) levels for WIA title I programs. States had the opportunity to use these targets as part of the negotiations process for setting FY 2015 goals. ETA continues to utilize and refine the regression model in order to better inform the negotiations between ETA and states and

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between states and local areas. As more data becomes available, the regression target setting process becomes increasingly accurate. However, the overall methodology of target setting has not changed since FY 2009. Moving forward under WIOA, a statistical model will be utilized to provide states with a starting point for negotiations. WIOA specifies additional variables to be considered, as well as combining inputs from the other core programs that have not been traditionally included (i.e. the Office of Career and Technical Adult Education and Rehabilitative Services Administration).

ETA has fully developed and implemented production measures in its agency-level Operating Plan to support the Department's Strategic Plan and strategic goals. Production measures are primarily driven by agency inputs such as staffing and IT resources. Numerous program-specific and grants management-specific measures were developed as production measures. Measures were developed for the Agency Priority Goals, Foreign Labor Certification, Grants Management (for both formula and discretionary grants), Job Corps, Registered Apprenticeship, TAA, and UI. Progress against these measures is monitored quarterly to determine if the initiatives or programs are on track to meet the annual targets, to identify negative or positive developments related to the measures, and to identify steps needed to improve performance, if necessary. For specific production measure information, refer to the detailed workload and performance tables in each appropriation section of this request.

Operating Plan

The ETA Operating Plan draws from the funded commitments, resources and goals set forth in both the FY 2014-2018 DOL Strategic Plan (see below) and the budget requests to describe ETA's use of inputs (both staff and budgetary) to implement specific strategies intended to achieve outputs in support of the Secretary's strategic goals. As the Operating Plan describes, ETA is primarily engaged in providing a variety of tools that are used to apply leverage to the workforce system and thereby encourage optimal results for participants. ETA administers grants and contracts, provides program direction, shapes policy, and provides guidance and technical assistance to states and regions to carry out these investments in the workforce system. In doing so, ETA uses several key strategies that describe how ETA employs performance accountability systems and ensures its programs and participants of those programs obtain optimal outcomes, including:

- Providing Program Direction and Guidance;
- Managing Grant Programs;
- Investing in Infrastructure to Support the Workforce System and Job Seekers;
- Educating the Public about Employment and Training Programs;
- Identifying Effective/Promising Employment and Training Programs/Strategies/Practices and Disseminating that Knowledge;
- Increasing Quality Career Guidance and Training Services;
- Increasing Availability of Quality Training programs that lead to Credentials;
- Helping Unemployed and Long-Term Unemployed; and
- Meeting the Needs of Business.

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The FY 2017 Operating Plan will similarly rely upon the foundation set by the DOL Strategic Plan and the 2017 President's Budget Request to create a set of strategies for achieving workforce system and program goals while accounting for changes in budget resources, new initiatives, and new or continuing policy priorities.

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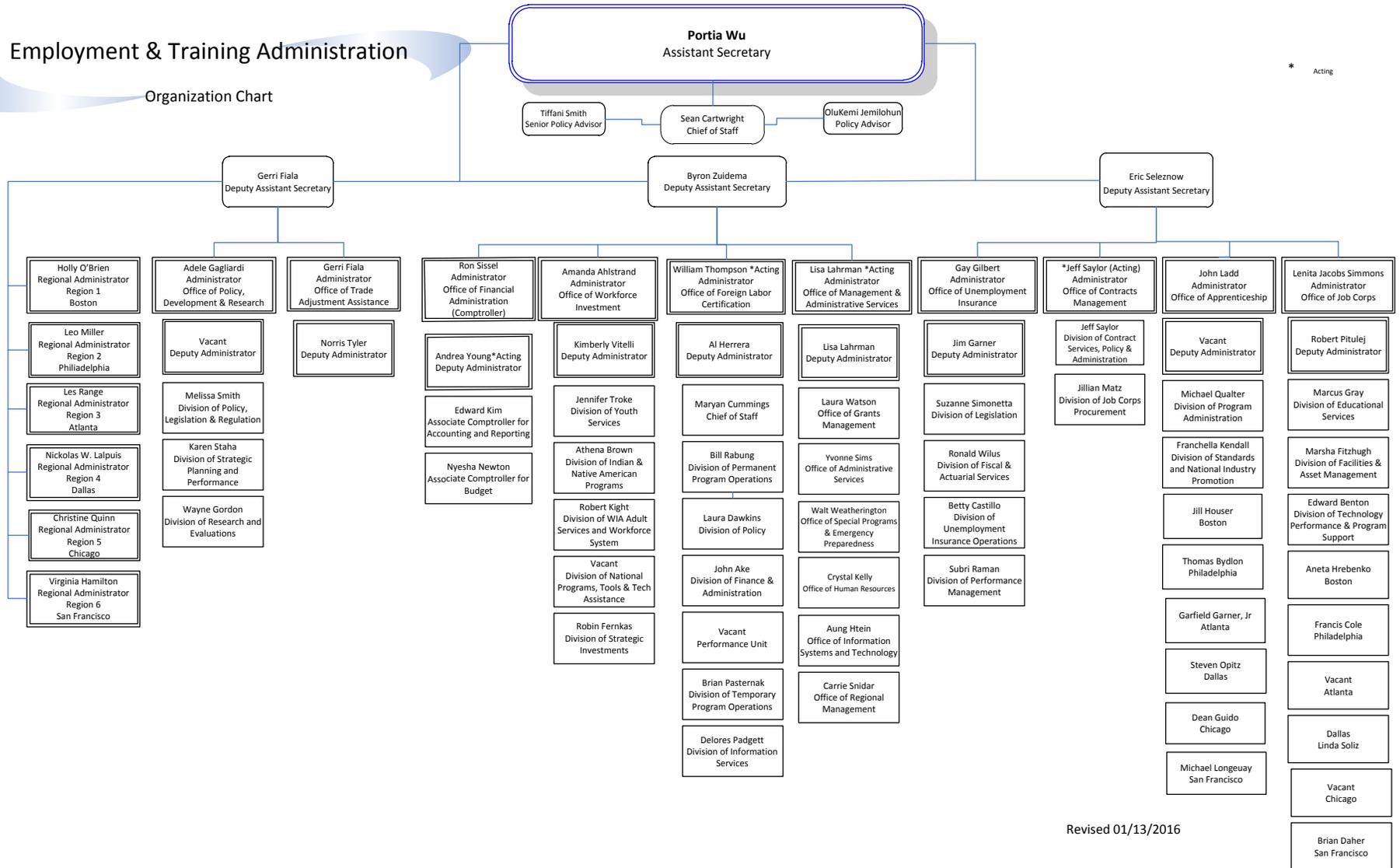
Strategic Goal Structure for FY 2014-2018 Strategic Plan

Goal 1: Prepare workers for better jobs				
ETA (Adult, DW, NEG, INAP, TAA, NFJP, SCSEP)		VETS		1.1 Advance employment opportunities for US workers in 21 st century demand sectors and occupations using proven training models through increased employer engagement and partnerships
ETA (TAACCCT, Apprenticeship, Job Corps, WIOA Youth, YouthBuild, RExO, and Face Forward)				1.2 Provide marketable skills and knowledge to increase workers' incomes and help them overcome barriers to the middle class through partnerships among business, education, labor, community organizations and the workforce system
ILAB				1.3 Advance workers' rights, acceptable work conditions, and livelihoods, particularly for the world's vulnerable populations
Goal 2: Improve workplace safety and health				
OSHA		MSHA		2.1 Secure safe and healthy workplaces, particularly in high-risk industries
Goal 3: Promote fair and high-quality work environments				
OFCCP	WB	ODEP		3.1 Break down barriers to fair and diverse workplaces and narrow wage and income inequality
OLMS	OSHA	MSHA	WHD	3.2 Protect workers' rights
WHD		ETA (OFLC)		3.3 Secure wages and overtime
Goal 4: Secure retirement, health, and other employee benefits and, for those not working, provide income security				
OWCP		ETA (UI, ES & TAA)		4.1 Provide income support when work is impossible or unavailable and facilitate return to work
EBSA				4.2 Improve health benefits and retirement security for all workers
Goal 5: Produce timely and accurate data on the economic conditions of workers and their families				
BLS				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

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Employment & Training Administration

Organization Chart



* Acting

Revised 01/13/2016