

FY 2008

CONGRESSIONAL BUDGET JUSTIFICATION

VETERANS' EMPLOYMENT AND TRAINING SERVICE

PERFORMANCE BUDGET

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VETERANS' EMPLOYMENT AND TRAINING SERVICE

General Statement

Introduction

The mission of the Veterans' Employment and Training Service (VETS) is to provide veterans and transitioning service members with the resources and services to succeed in the 21st century workforce by maximizing their employment opportunities, protecting their employment rights and meeting labor market demands with qualified veterans. VETS' charter is a direct reflection of the Nation's responsibility to meet the employment, training and job security needs of those Americans who served in uniform.

VETS helps veterans obtain positive employment outcomes through services provided at One-Stop Career Centers and other locations. Grants are provided to State Workforce Agencies (SWA) to support staff dedicated to serving veterans. VETS ensures that veterans who return with a requirement for special employment assistance due to disabilities or barriers to employment receive appropriate services based on their needs. VETS provides funding, through the Homeless Veterans' Reintegration Program (HVRP) and Veterans' Workforce Investment Program (VWIP), to serve targeted groups of veterans who need focused assistance.

VETS protects the reemployment and employment rights of veterans and members of the National Guard and Reserve Forces under the provisions of the Uniformed Services Employment and Reemployment Rights Act (USERRA) Program so that they can serve on active duty without harm to their employment status; and by assuring veterans' preference compliance for those who seek Federal employment.

VETS meets its responsibilities through five budget activities:

- (1) Jobs for Veterans State Grants – Provides funds to support Disabled Veterans' Outreach Program (DVOP) specialists, Local Veterans' Employment Representative (LVER) staff, Transition Assistance Program (TAP) Employment Workshops and to respond to exigencies;
- (2) Homeless Veterans' Reintegration Program (HVRP) – Provides funds competitively to operators of employment programs that specialize in outreach, supportive services and training for homeless veterans to assist in their reintegration into the workforce;
- (3) National Veterans' Employment and Training Services Institute (NVTI) – Develops and provides competency based training to the staff who assist our Nation's veterans;
- (4) Veterans' Workforce Investment Program (VWIP) – Provides competitive grants geared toward focused training, re-training and employment opportunities for veterans to meet the needs of employers for qualified workers in high demand industries; and
- (5) Federal Management – Provides VETS with FTE, resources, management and oversight necessary to implement all of VETS' budget activities, programs and initiatives to include: State and discretionary grant management, USERRA, Veterans Preference enforcement, and the

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REALifelines initiative, which provides much needed employment assistance to severely injured service members.

VETS coordinates with the Departments of Defense (DOD) and Veterans Affairs (VA) and the Office of the Special Counsel and with its State partners and veterans' service organizations to implement USERRA and Federal Veterans' Preference enforcement activities. These programs enable veterans and members of National Guard and Reserve Forces to serve on active duty without harm to their employment status, by protecting their reemployment and employment rights and by assisting them to obtain veterans' preference in Federal employment and in employment with Federal Contractors. These protections plus transition counseling and other services help DOD's efforts to recruit and retain an all-volunteer armed force. With DOD's need to meet recruiting goals every more imperative during the ongoing Global War on Terrorism, the services VETS offers veterans become critical to national security.

Issues, Outcomes and Strategies

Although the U.S. military components usually discharge about 200,000 service members from active duty annually, the levels of global deployment during the War on Terrorism and any associated stop-loss of selected forces have varied from year to year. As a result, the number of service members and reserve forces activated, deployed and released cannot be accurately predicted, even though the number of individuals departing the military has decreased significantly in the last several years.

With DOD's increased use of reserves and National Guard members, VETS needs to maintain its ability for rapid response and local briefings on USERRA for reservists, National Guard members and employer groups in every State as additional forces are mobilized and demobilized.

VETS' programs must be capable of providing services in case waves of troops begin returning to civilian life and enter the civilian workforce, seeking reemployment assistance, State certifications or licensing, or other job training opportunities. VA, DOD and DOL work in partnership to actively ensure the smooth transition of military service members into the Nation's workforce, particularly for those released with specialized needs relating to their military service.

VETS supports three of the Secretary of Labor's Strategic Goals—A Prepared Workforce, A Competitive Workforce, and Safe and Secure Workplaces. VETS competitive workforce preparation grants will continue to emphasize job training in high growth job opportunities while VETS expands the availability of Transition Assistance Program (TAP) workshops overseas.

These grants also support the Recovery and Employment Assistance Lifelines (REALifelines) initiative by linking the workforce system with more military hospitals to serve the employment needs of recovering wounded and severely injured service members and their families. VETS staff continue to provide worker protections will continue to provide to transitioning service members through voluntary compliance and statutory enforcement of veterans employment rights.

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Meeting the Secretary's goals depends on our recently enhanced information management systems to better track grantees' services and outcomes to better maintain high levels of performance at lower operating costs.

To accomplish these objectives, VETS will continue to meet the employment, training and job security needs of America's uniformed services by implementing the following strategies and actions:

- Enhance States' flexibility within the Jobs for Veterans Act of 2002 (JVA) Grant program and help States more effectively integrate DVOP specialists and LVER staff into the One-Stop Career Center System.
- Address homelessness among veterans with a concentration on the problems faced by those with severe barriers to employment (such as physical disabilities and mental health issues) and older veterans who retain the capacity for full-time employment.
- Provide TAP employment workshops to the maximum number of demobilized reserve component personnel returning from the Global War on Terrorism, as a joint initiative with the Department of Defense, by conducting training on reserve drill weekends and for those still deployed or facing separation while overseas.
- Further expand the Recovery and Employment Assistance Lifelines (REALifelines) program through long term employment assistance and coaching to those that have been severely wounded and disabled, particularly for jobs in high demand or high growth occupations.
- Implement the "Hire VETS First" marketing campaign at the State and local level and expand marketing to high-demand industry employers and associations.
- Improve TAP Employment Workshops through a comprehensive review, evaluation, updating, and defining of the curriculum.
- Assist veterans seeking civilian occupation credentials (licenses and certifications) to receive credit for military experience and skills in public and private sector occupations.

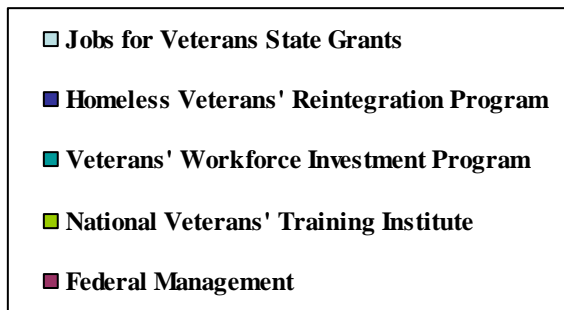
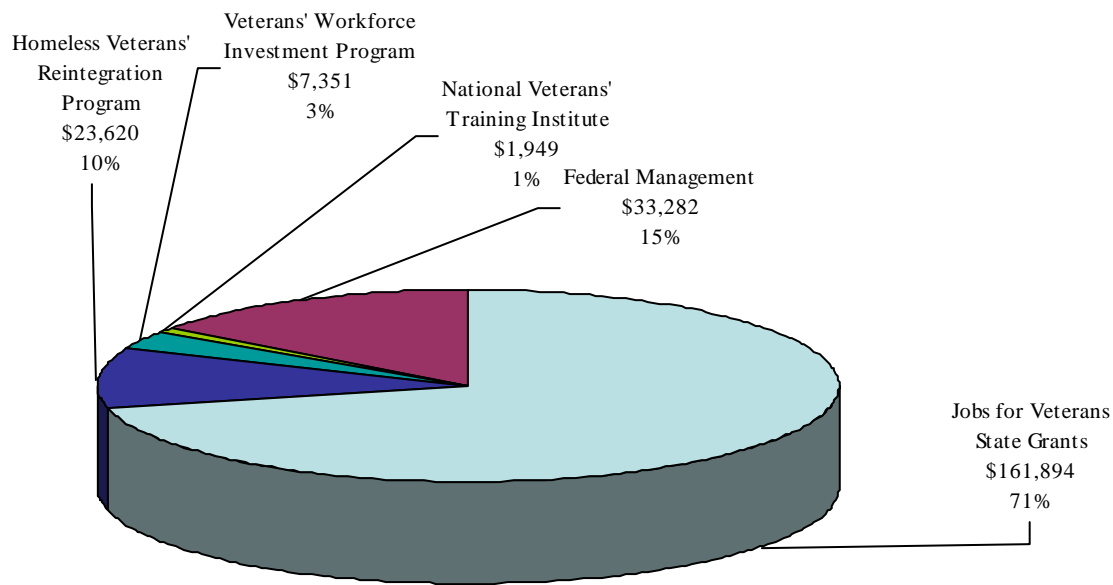
VETERANS' EMPLOYMENT AND TRAINING SERVICE

Cost Model

VETS requests a total of \$228,096,000, an increase of approximately 2.4% or \$5,430,610 over the FY 2007 Continuing Resolution level. As indicated above, VETS will refocus efforts and resources in FY 2008, to support three of the Secretary of Labor's Strategic Goals—A Prepared Workforce, A Competitive Workforce, and Safe and Secure Workplaces. VETS' maintains three distinct performance goals that support and contribute to these strategic goals. These goals are discussed in greater detail in the Performance Chapter.

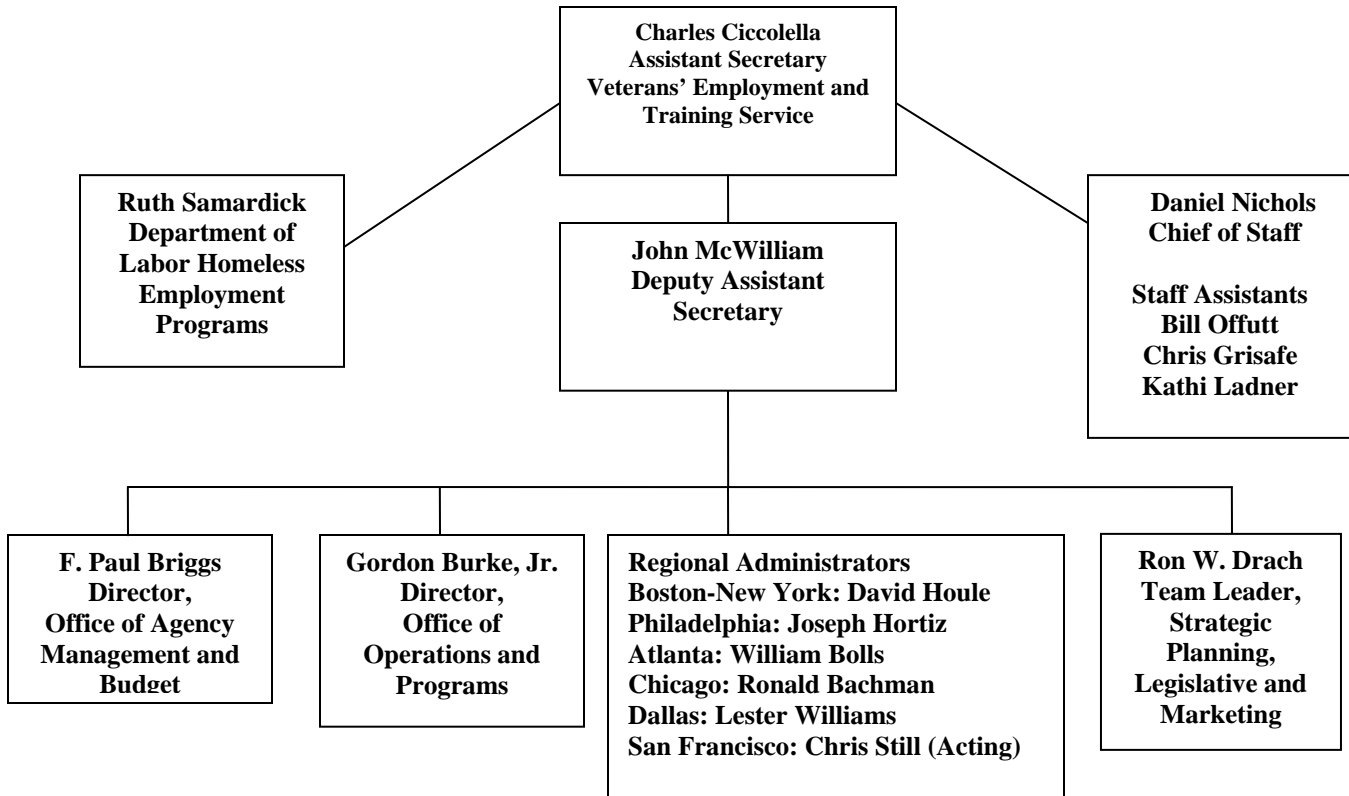
FY 2008 Budget Request by Program Activity

Total VETS' Budget: \$228,096
(\$ in thousands)



VETERANS' EMPLOYMENT AND TRAINING SERVICE

ORGANIZATION CHART



VETERANS' EMPLOYMENT AND TRAINING SERVICE

APPROPRIATION LANGUAGE

Not to exceed \$197,125,000 may be derived from the Employment Security Administration Account in the Unemployment Trust Fund to carry out the provisions of 38 U.S.C. 4100-4113, 4211- 4215 and 4321-4327, and Public Law 103-353, and which shall be available for obligation by the States through December 31, 2008, of which \$1,949,000 is for the National Veterans Employment and Training Services Institute. To carry out the Homeless Veterans Reintegration Programs (38 U.S.C. 2021) and the Veterans Workforce Investment Programs (29 U.S.C. 2913), \$30,971,000 of which \$7,351,000 shall be available for obligation for the period July 1, 2008 through June 30, 2009.

Note. — A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

VETERANS' EMPLOYMENT AND TRAINING SERVICE

EXPLANATION OF LANGUAGE CHANGE

No changes except funding levels and appropriations years.

VETERANS' EMPLOYMENT AND TRAINING SERVICE

AMOUNTS AVAILABLE for OBLIGATIONS						
(Dollars in Thousands)						
	FY 2006 Enacted		FY 2007 C. R.		FY 2008 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation (Amount shown in Appropriation Language)	0	29,500	0	29,780	0	30,971
Reduction pursuant to (P.L. 109-148) in FY 2006	0	-295	0	0	0	0
Appropriation, Revised (adjusted) Across-the-Board Reduction)	0	29,205	0	29,780	0	30,971
Trust Funds	0	-1,948	0	0	0	0
A.2) Subtotal [positive entry]	250	192,886	240	192,886	244	197,125
	250	222,091	240	222,666	0	228,096
B. Gross Budget Authority [sum of A.1 and A.2]	0	0	0	0	0	0
C. Budget Authority [sum of B. and B.1]	250	222,091	240	222,666	244	228,096
D. Total Budgetary Resources	250	222,091	240	222,666	244	228,096
E. Total, Estimated Obligations	235	221,092	240	222,554	244	227,981

The 2007 level is the assumed current rate under the terms of P.L. 109-289, as amended.

VETERANS' EMPLOYMENT AND TRAINING SERVICE

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2007 C. R.	FY 2008 Agency Request	Net Change
Budget Authority			
General Funds	29,780	30,971	+1,191
Trust Funds	192,886	197,125	+4,239
Total	222,666	228,096	+5,430
Full Time Equivalents			
General Funds	0	0	0
Trust Funds	240	244	+4
Total	240	244	+4

Explanation of Change	FY 2008 Change							
	FY 2007 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
Costs of pay adjustments	240	17,802	0	505	0	0	0	505
Personnel benefits	0	4,455	0	234	0	0	0	234
Two More Days of Pay	0	0	0	5	0	0	0	5
Federal Employees Compensation Act (FECA)	0	65	0	0	0	0	0	0
Travel	0	1,236	0	20	0	0	0	20
Transportation of Things	0	141	0	2	0	0	0	2
GSA Space Rental	0	794	0	29	0	0	0	29
Communications, utilities & miscellaneous charges	0	1,839	0	10	0	0	0	10
Printing and reproduction	0	318	0	2	0	0	0	2
Advisory and assistance services	0	0	0	2	0	0	0	2
Other services	0	4,644	0	253	0	0	0	253
Working Capital Fund	0	3,206	0	113	0	0	0	113
Other Government Accounts (DHS Charges)	0	34	0	2	0	0	0	2
Purchase of goods and services from other Government accounts	0	162	0	4	0	0	0	4
Total Operations and Maintenance of Facilities	0	15	0	0	0	0	0	0
Operation and maintenance of equipment	0	27	0	1	0	0	0	1
Supplies and materials	0	138	0	3	0	0	0	3
Equipment	0	103	0	4	0	0	0	4
Grants	0	187,687	0	0	0	0	0	0
Built Ins Subtotal	+240	+222,666	+0	+1,189	0	0	+0	+1,189
B. Programs:								
Initiative to Increase the Number of TAP Participants	0	0	0	2500	0	0	0	2,500
Serve More Homeless Veterans	0	0	0	0	0	1,840	0	1,840
To Provide for an Increase of Funding and FTE	240	30,131	4	1,962	0	0	4	1,962
Programs Subtotal	0	0	+4	2500	+0	+1,840	+4	+6,302
Total Increase	+240	+222,666	+4	+5,651	+0	+1,840	+4	+7,491
Decreases:								
A. Built-Ins:								
Other services	0	0	0	-15	0	0	0	-15
Built Ins Subtotal	0	0	0	-15	0	0	0	-15
B. Programs:								
To provide for a program decrease in State Grants	0	160,791	0	-1,397	0	-0	0	-1,397
To provide for a program decrease in VWIP	0	8,000	0	0	0	-649	0	-649
Programs Subtotal	0	0	0	-1,397	0	-649	0	-2,046
Total Decrease	0	0	0	-1,412	0	-649	0	-2,061
Total Change	+240	+222,666	+4	+4,239	+0	+1,191	+4	+5,430

VETERANS' EMPLOYMENT AND TRAINING SERVICE

SUMMARY BUDGET AUTHORITY and FTE by ACTIVITY
(Dollars in Thousands)

	FY 2006 Enacted 1/		FY 2007 C. R. 2/		FY 2008 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
State Grants	0	160,791	0	160,791	0	161,894
Unemployment Trust Funds	0	160,791	0	160,791	0	161,894
Homeless Veterans' Reintegration Program	0	21,780	0	21,780	0	23,620
General Funds	0	21,780	0	21,780	0	23,620
Veteran's Workforce Investment Program	0	7,425	0	8,000	0	7,351
General Funds	0	7,425	0	8,000	0	7,351
National Veterans' Employment and Training Service Institute	0	1,964	0	1,964	0	1,949
Unemployment Trust Funds	0	1,964	0	1,964	0	1,949
Federal Administration	250	30,131	240	30,131	244	33,282
Unemployment Trust Funds	250	30,131	240	30,131	244	33,282
Total	250	222,091	240	222,666	244	228,096
General Funds	0	29,205	0	29,780	0	30,971
Unemployment Trust Funds	250	192,886	240	192,886	244	197,125

1/ The FY 2006 reflects enacted, not actual, levels.

2/ The 2007 level is the assumed current rate under the terms of P.L. 109-289, as amended.

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Budget Authority by Object Class (Dollars in Thousands)				
	FY 2006 Enacted	FY 2007 C. R.	FY 2008 Request	FY 08 Request / FY 07 C. R.
Total Number of Full-Time Permanent Positions	250	240	244	4
Full-Time Equivalent				
Full-time Permanent	250	240	244	4
Average ES Salary	145,000	149,000	156,000	7,000
Average GM/GS Grade	12.5	12.6	13.23	0.63
Average GM/GS Salary	72,000	74,000	78,000	4,000
11.1 Full-time permanent	17,248	17,682	19,000	1,318
11.5 Overtime and Premium Pay	434	120	204	84
12.1 Civilian personnel benefits	4,709	4,520	5,096	576
21.0 Travel and transportation of persons	1,428	1,236	1,456	220
22.0 Transportation of things	141	141	143	2
23.1 Rental payments to GSA	889	794	823	29
23.3 Communications, utilities, and miscellaneous charges	1,781	1,839	1,949	110
24.0 Printing and reproduction	318	318	320	2
25.1 Advisory and assistance services	102	0	2	2
25.2 Other services	4,427	4,644	5,310	666
25.3 Other Purchases of goods and services from Government accounts 1/	3,122	3,402	3,521	119
25.4 Operation and maintenance of facilities	0	15	15	0
25.7 Operation and maintenance of equipment	39	27	28	1
26.0 Supplies and materials	138	138	141	3
31.0 Equipment	203	103	107	4
41.0 Grants, subsidies, and contributions	187,112	187,687	189,981	2,294
Total	222,091	222,666	228,096	5,430
1/Other Purchases of Goods and Services From Government Accounts				
Other Services - WCF	3,102	3,206	3,319	113
Department of Homeland Security Services (DHS)	0	34	36	2

VETERANS' EMPLOYMENT AND TRAINING SERVICE

APPROPRIATION HISTORY
(Dollars in Thousands)

	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
1998	181,955	181,955	181,955	181,955	254
1999	182,719	182,719	182,719	182,719	254
2000	185,613	185,613	184,341	184,341	255
2001	210,213	201,277	206,713	211,713	255
2002....1/	211,703	211,703	213,703	212,624	250
2003....2/	210,337	210,337	218,037	212,820	250
2004....3/	219,993	219,993	219,993	218,646	250
2005....4/	220,648	225,648	226,781	222,833	250
2006....5/	224,334	224,334	224,334	222,091	250
2007....6/	224,887				240
2008	228,096				244

- 1/ Reflects a total reduction of \$187 pursuant to P.L. 107-116 (\$79) and 107-206 (\$108).
- 2/ Reflects a \$1,392 reduction pursuant to P.L. 108-07.
- 3/ Reflects a \$1,347 reduction pursuant to P.L. 108-199.
- 4/ Reflects a \$1,816 reduction pursuant to P.L. 108-447.
- 5/ Reflects a \$2,243 reduction pursuant to P.L. 109-149.
- 6/ Reflects the continuing resolution at the FY 2006 level adjusted for balances pursuant to P.L. 109-289, as amended.

STATE GRANTS

(Dollars in Thousands)						
	FY 2006 Enacted	FY 2007 C. R.	FY 2007 Estimate	Diff. FY06 Enact. FY07 C. R.	FY 2008 Request	Diff. FY 07 C. R. / FY 08 Request
Activity Appropriation	160,791	160,791	160,791	0	161,894	1,103
FTE	0	0	0	0	0	0

Introduction

The Veterans' Employment and Training Service (VETS) administers two programs through grants to States that directly meet its strategic goal: (1) the Disabled Veterans' Outreach Program (DVOP), and (2) the Local Veterans' Employment Representative (LVER) Program.

VETS provides grant awards on an annual basis for the operation of the DVOP and LVER programs, in accordance with 38 U.S.C. Chapter 41. The Jobs for Veterans Act of 2002 (JVA) amended 38 U.S.C. 4103(A) and enables the States to employ full or part-time DVOP and LVER staff as the State determines necessary to carry out their duties, described below.

The Disabled Veterans' Outreach Program (DVOP) is a State grant program authorized by Section 4103(A) of Title 38, United States Code. Disabled Veterans' Outreach Program specialists provide outreach services, and intensive employment services to meet the employment needs of eligible veterans. Priority of service is given to special disabled veterans, disabled veterans, and other eligible veterans. In providing these services, the maximum emphasis is placed upon meeting the employment needs of economically or educationally disadvantaged veterans.

The Local Veterans' Employment Representative (LVER) program is a State grant program, authorized by Section 4104(A), Title 38, United States Code. Local Veterans' Employment Representatives conduct outreach to area employers to develop employment opportunities for veterans. They also facilitate employment, training, and placement services to veterans.

LVERs maintain cooperative working relationships with various community organizations, such as veterans' service organizations to maintain contact with veterans who may need employment assistance, and employer associations to maintain contact with potential sources of job openings for veterans.

LVERs also coordinate with other government agencies including the Department of Veterans Affairs and its personnel who are involved in Vocational Rehabilitation and Employment (VR&E) services for veterans. The LVER staff will continue in FY 2008 to play a significant role in assisting transitioning service members by providing Transition Assistance Program (TAP) Employment Workshops.

The JVA statute also mandated a change in the funding formula (38 U.S.C. 4102(c) (2) (B)). Under the JVA funding formula, State grant funding is based upon the number of veterans

STATE GRANTS

seeking employment, given consideration for civilian labor force data and the number of unemployed veterans in a State.

During FY 2004 and FY 2005, the new funding formula was phased in gradually by applying provisions designed to minimize adverse impacts on services to veterans and to provide States with time to adjust to new staffing levels for DVOP specialists and LVER staff. FY 2008 will be the third year of full implementation of this new funding formula.

The Jobs for Veterans State Grant budget activity also supports the VETS' Transition Assistance program. A set-aside included in the new funding formula supports the delivery of TAP employment workshops and provides VETS with the flexibility to provide targeted funding in response to exigent circumstances.

Funding is also made available from the set aside to provide TAP employment workshops at military installations overseas and to continue the National Hire Veterans campaign.

Funding for the DVOP and LVER programs has a strong positive impact on the State Workforce Agencies and, most importantly, on the hundreds of thousands of our Nation's veterans served through these programs annually.

Five-Year Budget Activity History

Fiscal Year	Funding	FTE
2003	159,823	0
2004	161,408	0
2005	161,097	0
2006	160,791	0
2007	160,791	0

FY 2008

VETS request takes into consideration the large number of separations from active duty expected to occur during FY 2007 and 2008 as a result of a slowing of separations during prior years. To accommodate the expected increased demand for Transition Assistance, VETS has requested a \$2.5 million budget activity increase in FY 2008. The total funding level of \$161,894,000 will support the VETS' Jobs for Veterans State Grants and the Transition Assistance program in FY 2008. The increase in TAP funding will be offset to some extent by a reduction in the State Grants. VETS anticipates that this funding strategy will permit an increase in the total number of veterans served. VETS projects that approximately 861,200 veterans and transitional service members will be served by One-Stop Career Centers and TAP Employment workshops, a substantial increase over the level projected for FY 2007.

To meet the anticipated increased demand for TAP employment workshops, and maximize efficiency and effectiveness, VETS will increase workshop class size(s) and consolidate the number of separations centers at which DVOP/LVER staff provide TAP employment workshops. The reduction in State Grants funding will be accommodated with delays in filling vacant DVOP/LVER positions.

STATE GRANTS

FY 2007

VETS will continue to improve the integration and effectiveness of services provided to veterans within the workforce development system through reliance on other One-Stop Career Center staff, implementation of improved performance measures under the common measures, incentive awards for staff, and system improvements that address priority job placement services to veterans. The strategies aimed at meeting the performance goal included the following, which will be implemented primarily through partnership efforts and technical assistance:

- Provide State Workforce Agencies (SWAs) with both flexibility and accountability in the provision of services to veterans. Previous limitations imposed by legislation have been removed, and the SWAs now have more responsibility for developing plans for services to veterans and for their effectiveness and outcomes;
- Continue to emphasize DVOP and LVER staff serving as the critical link for services to veterans with employment barriers and serving as a focal point for transition assistance, for homeless veterans reintegration, for workforce investment on behalf of veterans, and for vocational rehabilitation, taking a client-centric approach;
- Place greater emphasis on services to Vocational Rehabilitation and Employment (VRE) and Compensated Work Therapy program participants and to the spouses and dependents of veterans, reserve and National Guard members that have died as a result of conflict or the fight against terrorism;
- Continue to provide technical assistance to States on their development of State service delivery plans;
- Implement improved data acquisition, using common measures to measure success;
- Improve outreach through the National Hire Veterans campaign to ensure that employers are aware of the services available;
- Encourage full utilization of staffing resources (timely filling of positions); and
- Improve relationships with local employers.

Additionally, VETS will continue to offer guidance and technical assistance to ensure that the State Workforce Agencies' employment services focused on skill quality, credentials, job development, employer relations and case management as a means of insuring retention and progress for veterans.

In FY 2007 VETS will continue efforts to work in partnership with the State Workforce Agencies and undertake efforts to ensure an effective fit into the new system that is likely to result from WIA reauthorization efforts. VETS, through the National Hire Veterans initiative, expects new relationships with employers and employer groups to result in more veterans getting hired and more vacancies being listed by employers with the One-Stop Career Center system.

STATE GRANTS

FY 2006

FY 2006 was the first fiscal year for which funding was awarded to State Workforce Agencies on the basis of the fully implemented provisions of the funding formula established by the Jobs for Veterans Act. FY 2006 also was the second fiscal year for which funding was awarded to State Workforce Agencies in response to the 5-year State Plans called for by the Jobs for Veterans Act.

In FY 2006 DVOPs and LVERs collectively served 827,482 participants. The Transition Assistance program provided 4,070 workshops and served a total of 139,501 TAP participants.

STATE GRANTS

WORKLOAD SUMMARY			
	FY 2006	FY 2007	FY 2008
	Actual	Target	Request
Jobs for Veterans' State Grants			
Number of Participants	846,250	850,800	861,200
Budget Activity Total	846,250	850,800	861,200

STATE GRANTS

CHANGES IN FY 2008
(Dollars in Thousands)

Activity Changes		
Built-in		
To provide for:		
Total Built-in		0
Net Program		\$1,103
	Estimate	FTE
Base	\$160,791	0
Program Increase	\$2,500	0
Program Decrease	-\$1,397	0

STATE GRANTS

**U.S. Department of Labor
Jobs for Veterans State Grants
Performance Budget Issue Paper
To provide for a program decrease in State Grants**

Applicable Performance Goal:

Prepared Workforce

Improve the employment outcomes for veterans who receive veterans' program services.
Expand the number of Transition Assistance Program Employment Workshop participants.

Requested Resources:

A total of +\$161,894,000 is requested for State Grants, including a decrease of \$1,397,000 from the FY 2007 C.R.

Rationale/Strategy and Performance Impact Related to Resource Increase:

VETS proposes to partially offset the costs of the increased number of TAP workshops needed to meet the anticipated increase in demand with a reduction in the portion of the State Grants used for DVOPs and LVERs. States are expected to handle this reduction with delays in filling vacant DVOP and DLVER positions.

Marginal Cost Impact:

The \$1,397,000 decrease is anticipated to reduce the capacity to serve TAP Employment Workshop participants from 10,000 to 5,564 in FY 2008 to 4,436.

Offsets:

None.

Base Level Funding (\$ in thousands):

Base:			
Estimate:	+\$160,791	FTE:	0

STATE GRANTS

Program Performance at Request Level (\$ in thousands):

Program Changes:

Estimate: -\$1,397 FTE: 0

Object Class (\$ in thousands):

Object Class		FY 2008 Request
41.0	Grants Subsidies and Contributions	+\$161,894

STATE GRANTS

U.S. Department of Labor Jobs for Veterans State Grants Performance Budget Issue Paper Initiative to Increase the Number of TAP Participants

Applicable Performance Goal:

Prepared Workforce

Improve the employment outcomes for veterans who receive veterans' program services.
Expand the number of Transition Assistance Program Employment Workshop participants.

Requested Resources:

A total of +\$161,894,000 is requested for State Grants, an increase of +\$2,500,000 from the FY 2007 estimate for Transition Assistance Program activities.

Rationale/Strategy and Performance Impact Related to Resource Increase:

This funding is requested to expand Transition Assistance Program services through an increase of \$2,500,000 for Jobs for Veterans State Grants. The Transition Assistance Program (TAP) is expected to serve approximately 160,000 departing service members during FY 2007. That number is expected to increase during FY 2008 because TAP Employment Workshops are being extended to serve Guard and Reserve units and individuals, as they demobilize. At the agency request level, it is projected that the number of departing service members receiving TAP Employment Workshops will increase from about 160,000 to about 170,000, and that the number of transitioning service members and veterans receiving transition services at One-Stop Career Centers also will increase by about 22,000, for a total increase between FY 2007 and FY 2008 of about 32,000 in the number of transitioning service members and veterans receiving transition assistance.

This funding level will allow VETS to meet the increased demand for TAP Employment Workshops, which requires more DVOP/LVER facilitators and more contract support within the United States, as well as more training for facilitators. The increased demand for TAP Employment Workshops will also create a greater need for increased contract support to continue TAP Employment Workshop expansion at a greater number of overseas locations.

Marginal Cost Impact:

The \$2,500,000 increase is anticipated to allow the capacity to serve an approximate increase of 10,000 TAP Employment Workshop participants in FY 2008.

STATE GRANTS

Offsets:

Offset a portion of this increase in TAP funding with a reduction of \$1,397,000 in the DVOP/LVER portion of the State Grants.

Base Level Funding (\$ in thousands):

Base:
Estimate: +\$160,791 FTE: 0

Program Performance at Request Level (\$ in thousands):

Program Changes:
Estimate: +\$2,500 FTE: 0

Object Class (\$ in thousands):

Object Class		FY 2008 Request
41.0	Grants Subsidies and Contributions	+\$2,500

HOMELESS VETERANS' REINTEGRATION PROGRAM

(Dollars in Thousands)						
	FY 2006 Enacted	FY 2007 C. R.	FY 2007 Estimate	Diff. FY06 Enact. FY07 C. R.	FY 2008 Request	Diff. FY 07 C. R. / FY 08 Request
Activity Appropriation	21,780	21,780	21,780	0	23,620	1,840
FTE	0	0	0	0	0	0

Introduction

The Homeless Veterans' Reintegration Program (HVRP) is authorized under 38 U.S.C. 2021. HVRP has been successful in getting veterans who are homeless back into the economic mainstream and the civilian labor force in a cost-effective manner. HVRP is the only national homeless program that targets employment and training, which is the most effective and permanent remedy to homelessness.

The Homeless Veterans' Reintegration Program awards competitive grants to State and local Workforce Investment Boards (WIBs); to State and local public agencies; and to private non-profit organizations, including community-based and faith-based organizations, to operate employment programs that reach out to homeless veterans and help them to become reintegrated into the workforce. VETS and the grantees coordinate with the Departments of Veterans Affairs and Housing and Urban Development to: a) promote jointly funded programs; b) integrate the varied services needed by homeless veterans; and, c) leverage available resources.

HVRP grants are specifically targeted to serve both urban and rural areas and specialized grants are awarded to help incarcerated veterans to become prepared for employment. In addition, separate competitions are held for new grantees so that newcomers to the program are not required to compete against more experienced grantees. This helps to assure that the program benefits from a steady infusion of fresh perspectives and innovative approaches.

Over the years, thousands of men and women have regained a sense of purpose and dignity because of this homeless employment and training program. This program has widespread community and veteran service organization support. Such support continues to be leveraged by the grantees. In turn, the grantees have been successful in encouraging other local service providers to assist with delivery of supportive services to homeless veterans. The HVRP request considers VETS' performance plan and the capacity of these grantees to provide services to homeless veterans.

HOMELESS VETERANS' REINTEGRATION PROGRAM

Five-Year Budget Activity History

Fiscal Year	Funding	FTE
2003	18,131	0
2004	18,888	0
2005	20,832	0
2006	21,780	0
2007	21,780	0

FY 2008

VETS requests a total funding level of \$23,620,000 for FY 2008, which includes a program increase of \$1,840,000. The HVRP competitive grant process will encourage second and third year funding of the most successful FY 2006-2007 grantees and limit new applicants and competitions. This strategy is expected to serve approximately 15,095 homeless veterans.

Competitions will also consider capability and grantee records of achieving outcome goals. VETS will continue to leverage its resources by participating in stand-downs (safe environment gatherings at which public agencies provide homeless veterans with medical, health, legal, and other services).

FY 2007

In FY 2007, VETS aims to achieve broader coordination with other Departments and agencies participating in the President's efforts to reduce homelessness. VETS is working with the Departments of Veterans Affairs and Housing and Urban Development to coordinate services to homeless veterans.

For example, VETS is encouraging grantees to establish linkages with VA's Compensated Work Therapy program for those participants for whom that service is appropriate, and is encouraging grantees to seek access to any HUD resources for which they are eligible.

Existing grantees are concentrating their efforts on job retention. A competition will be held for the available amount of funding, and these newly funded HVRP providers will extend the services available to homeless veterans to new geographic areas.

FY 2006

FY 2006 was the second fiscal year for which HVRP grantee performance was assessed on the basis of participants' rate of retention in employment six months following entry to employment. Also, the rate of entry to employment by HVRP participants continued to be regarded as a key indicator of successful grantee performance.

In FY 2006, 110 HVRP grant applications were processed, of which 42 grants were awarded; and, approximately 13,865 participants were served.

HOMELESS VETERANS' REINTEGRATION PROGRAM

WORKLOAD SUMMARY			
	FY 2006	FY 2007	FY 2008
	Estimate*	Target	Request
Homeless Veterans' Reintegration Program			
Number of Participants	13,865	13,890	15,095
Budget Activity Total	13,865	13,890	15,095
*The FY 2006 funding of HVRP grantees supports performance that is measured on the basis of a program year period of performance, i.e. from July 1, 2006 through June 30, 2007.			

HOMELESS VETERANS' REINTEGRATION PROGRAM

CHANGES IN FY 2008
(Dollars in Thousands)

Activity Changes		
Built-in		
To provide for:		
Total Built-in		0
Net Program		\$1,840
	Estimate	FTE
Base	\$21,780	0
Program Increase	\$1,840	0

HOMELESS VETERANS' REINTEGRATION PROGRAM

Program Performance at Request Level (\$ in thousands):

Program Changes:

Estimate: +\$1,840 FTE: 0

Object Class (\$ in thousands):

Object Class		FY 2008 Request
41.0	Grants Subsidies and Contributions	+\$1,840

VETERANS' WORKFORCE INVESTMENT PROGRAM

(Dollars in Thousands)						
	FY 2006 Enacted	FY 2007 C. R.	FY 2007 Estimate	Diff. FY06 Enact. FY07 C. R.	FY 2008 Request	Diff. FY 07 C. R. / FY 08 Request
Activity Appropriation	7,425	8,000	8,000	575	7,351	-649
FTE	0	0	0	0	0	0

Introduction

The Veterans' Workforce Investment Program (VWIP) budget activity supports efforts to ensure veterans' lifelong learning and skills development, under 29 U.S.C. 2913 (Veterans' Workforce Investment Programs - Sec. 168, Workforce Investment Act, P.L. 105-220) in programs designed to serve current eligible and targeted veteran subgroups with severe employability barriers.

The Workforce Investment Act (WIA) in its Section 168 (29 U.S.C. 2913) expanded eligibility to veterans with severe economic and employment disadvantages. Under this statutory authority, eligible veterans include those with service-connected disabilities, those with significant barriers to employment, those who served on active duty in the armed forces during a war or in a campaign or expedition for which a campaign badge has been authorized, and those recently separated.

The resulting VWIP program is a focused and innovative training and placement program for veterans with severe or multiple employment barriers and for recently separated veterans. Consistent with those objectives, VWIP continues to offer high quality training and employment services to participants through annual grant awards.

Grantees mix interventions that lead to long term, higher wage and career potential jobs by implementing consolidated program models that coordinate services available through other VETS programs (e.g., the employment assistance and intensive services provided by DVOP specialists and LVER staff members).

Based on successful pilot projects implemented in selected States, the goal of VWIP was refined recently to emphasize service to recently separated veterans with specialized skills leading to licensing and credentialing through occupational classes such as information technology, trucking, and health. In light of employers' demand for workers with technical knowledge, disciplined work habits and aptitude for lifelong learning, VETS is maintaining this refinement of the VWIP service delivery strategy.

VETERANS' WORKFORCE INVESTMENT PROGRAM

Five-Year Budget Activity History

Fiscal Year	Funding	FTE
2003	7,377	0
2004	7,505	0
2005	8,482	0
2006	7,425	0
2007	8,000	0

FY 2008

The FY 2008 funding level requested for VWIP is \$7,351,000. VWIP will continue to assist recently separated veterans to obtain work by providing information concerning occupational credentialing requirements, which facilitates licensing and certification for certain specialized occupations.

VWIP also will continue to coordinate its services with other programs that provide job search assistance to participating veterans to contribute to alleviating the continuing shortage of skilled workers and reduce the VWIP cost per placement by leveraging other resources. Additional leverage will be realized by coordination with VA, DoD and SWAs.

FY 2007

For FY 2007, the funding for VWIP is \$8,000,000 under the terms of the CR, which includes carry-over balances. This level of funding will contribute to other ongoing efforts to improve the competitiveness of the civilian workforce by assisting recently separated veterans to obtain the training or credentials needed to meet employers' demands for skilled workers. The funding will support the enrollment of 4,760 VWIP participants, an increase of 360 veterans served, compared with FY 2006.

VETS previously had successfully tested several promising initiatives to assist separating service members to obtain civilian sector jobs related to their military specialties. During FY 2007, VETS will continue to implement these initiatives, expand VWIP to additional states and focus on services for recently separated veterans. This will include an emphasis on the President's National Hire Veterans campaign to market the veterans to employers by emphasizing their technical skills, their disciplined work habits and their ability to make effective use of available opportunities for lifelong education and training.

FY 2006

The emphasis initiated during FY 2005 toward higher skill occupations, occupational credentialing, and the needs of high growth industries continued in selecting awardees for FY 2006 VWIP grants. For FY 2006, it is estimated that a total of 4,400 veterans will be enrolled as VWIP participants during the 7/1/06 – 6/30/07 period of performance. In FY 2006, 104 VWIP grants were processed of which 12 grants were awarded.

VETERANS' WORKFORCE INVESTMENT PROGRAM

WORKLOAD SUMMARY			
	FY 2006	FY 2007	FY 2008
	Estimate*	Estimate	Request
Veterans' Workforce Reinvestment Program			
Number of Participants	4,400	4,760	4,390
Budget Activity Total	4,400	4,760	4,390
*VWIP funding is provided on the basis of a program year, from July 1, 2006 through June 30, 2007.			

VETERANS' WORKFORCE INVESTMENT PROGRAM

CHANGES IN FY 2008
(Dollars in Thousands)

Activity Changes		
Built-in		
To provide for:		
Total Built-in		0
Net Program		-\$649
	Estimate	FTE
Base	\$8,000	0
Program Decrease	-\$649	0

VETERANS' WORKFORCE INVESTMENT PROGRAM

**U.S. Department of Labor
Veterans' Workforce Investment Program
Performance Budget Issue Paper
To provide for a program decrease in VWIP**

Applicable Performance Goal:

Prepared Workforce

Improve the employment outcomes for veterans who receive veterans' program services.

Requested Resources:

A total of +\$7,351,000 is requested, a decrease of -\$649,000 from the FY 2007 estimate.

Rationale/Strategy and Performance Impact Related to Resource Increase:

VETS expects to improve the efficiency of VWIP grants through leveraging other resources and coordinating with other Federal and State agencies. The anticipated cost per participant will decrease to \$1,675 in FY 2008 from \$1,681 in FY 2007.

Marginal Cost Impact:

Anticipated cost per placement efficiencies will allow VETS to sustain services and withstand the marginal cost impact of an 8% decrease between FY 2007 and FY 2008 in VWIP funding.

Offsets:

None.

Base Level Funding (\$ in thousands):

Base:			
Estimate:	+\$8,000	FTE:	0

VETERANS' WORKFORCE INVESTMENT PROGRAM

Program Performance at Request Level (\$ in thousands):

Program Changes:

Estimate: -\$649 FTE: 0

Object Class (\$ in thousands):

Object Class		FY 2008 Request
41.0	Grants Subsidies and Contributions	+\$7,351

NATIONAL VETERANS' EMPLOYMENT AND TRAINING SERVICE
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(Dollars in Thousands)						
	FY 2006 Enacted	FY 2007 C. R.	FY 2007 Estimate	Diff. FY06 Enact. FY07 C. R.	FY 2008 Request	Diff. FY 07 C. R. / FY 08 Request
Activity Appropriation	1,964	1,964	1,964	0	1,949	-15
FTE	0	0	0	0	0	0

Introduction

The National Veterans' Employment and Training Service Institute (NVTI) was established in 1986 and authorized in 1988 by P.L. 100-323. NVTI provides competency training to veteran service providers. The purpose of NVTI to guarantee the universality of services for veterans by ensuring that all direct client service providers have been properly trained on their job, thereby, increasing their productivity and knowledge of services available to veterans.

NVTI is currently administered by VETS staff through a contract with the University of Colorado at Denver (UCD). The training provided by NVTI is evaluated for effectiveness through post-training follow-up with participants and their supervisors to determine the impact of the training.

Five-Year Budget Activity History

Fiscal Year	Funding	FTE
2003	1,325	0
2004	1,988	0
2005	1,984	0
2006	1,964	0
2007	1,964	0

FY 2008

The funding level of \$1,949,000 for FY 2008 will support continuing NVTI operations. However, NVTI will emphasize electronic means for providing information to training participants. NVTI will contain contract costs by implementing distance learning modalities and by traveling to States that have arranged to bring NVTI trainers to provide on-site training. NVTI plans to enroll 1,985 participants in NVTI courses, a slight decrease of 15 from the projected FY 2007 number. NVTI will continue to conduct training workshops for Transition Assistance Program (TAP) facilitators to accommodate the increased demand for TAP Employment Workshops.

In FY 2008, VETS will continue to work with NVTI to refine its strategy for assessing the current competencies of veteran service providers, who may have had training when they began working as a veteran service provider but have since acquired new duties. VETS also will work with NVTI to identify where new competencies may be required (such as improved understanding of the evolving Workforce Investment system); and provide off-site training to

NATIONAL VETERANS' EMPLOYMENT AND TRAINING SERVICE
INSTITUTE

achieve the new competencies necessary to work within this changing service delivery environment. Both of these activities will support VETS efforts to comply with legislation enacted in December 2006, calling for all DVOP specialists and LVER staff members assigned after January 1, 2006 to complete training at NVTI within three years of their assignment.

FY 2007

Given the FY 2007 funding level of \$1,964,000, NVTI will continue to provide TAP training, Case Management/Career Coaching, Managing Case Management, Labor Exchange, Veterans' Benefits, and Employer Job Development in support of a Prepared Workforce.

For Federal staff, NVTI will provide training for USERRA, Veterans' Preference, Investigating Complaints, Managing VETS Programs (new course) and Veteran Grants Orientation. In addition, NVTI will initiate activities to develop courses addressing VETS' staff management and career development competencies.

FY 2006

For FY 2006, NVTI staff and VETS staff collaborated in the development of a long-term plan to improve the access by veteran service providers to training that addresses the key changes enacted by the Jobs for Veterans Act. This training also addresses those changes expected to arise from other sectors of the workforce development system, such as the administrative initiatives undertaken in anticipation of the reauthorization of WIA, which has been delayed longer than expected.

In FY 2006, NVTI trained approximately 2,000 participants; and, provided post award training for VETS' grantees.

NATIONAL VETERANS' EMPLOYMENT AND TRAINING SERVICE
INSTITUTE

WORKLOAD SUMMARY			
	FY 2006 Actuals	FY 2007 Estimate	FY 2008 Request
National Veterans' Employment and Training Service Institute			
Number of Participants	1,965	2,000	1,985
Budget Activity Total	1,965	2,000	1,985

NATIONAL VETERANS' EMPLOYMENT AND TRAINING SERVICE
INSTITUTE

CHANGES IN FY 2008
(Dollars in Thousands)

Activity Changes

Built-in	
To provide for:	
Other services	-15
Total Built-in	-15

	Estimate	FTE
Base	\$1,949	0

FEDERAL ADMINISTRATION

(Dollars in Thousands)						
	FY 2006 Enacted	FY 2007 C. R.	FY 2007 Estimate	Diff. FY06 Enact. FY07 C. R.	FY 2008 Request	Diff. FY 07 C. R. / FY 08 Request
Activity Appropriation	30,131	30,131	30,131	0	33,282	3,151
FTE	250	240	240	-10	244	4

Introduction

The Federal Management budget activity funds the Federal staff of the Veterans’ Employment and Training Service (VETS) and provides oversight, administrative support and management for all of VETS’ programs, operations, and special initiatives.

VETS is responsible for ensuring that the legislative mandates for providing special services to veterans, Reservists, National Guard members, and other eligible persons are provided by the DOL and its grantees in accordance with Chapters 41, 42, and 43 of Title 38, United States Code. VETS administers grants to States for the Local Veterans' Employment Representative (LVER) program, the Disabled Veterans' Outreach Program (DVOP), and the Transition Assistance Program (TAP) Employment Workshop, which is funded and implemented under the Jobs for Veterans State Grants Budget Activity. VETS coordinates with the Departments of Defense and Veterans Affairs to deliver TAP employment workshops, which provide service members separating from active duty with labor market information and training in job search skills to expedite their transition from military to civilian employment.

VETS also administers competitive grants to States and other entities as authorized under the Veterans’ Workforce Investment Programs (VWIP) and Homeless Veterans’ Reintegration Program (HVRP). VETS provides technical assistance to support and foster the delivery of services by State Workforce Agencies (SWAs) to veterans on a priority basis through on-site monitoring of service delivery sites.

The Veterans’ Preference Program the Uniformed Services Employment and Re-Employment Rights Act (USERRA) are supported by VETS’ Federal Management budget activity, as well.

Veterans’ Preference in Federal employment is provided to veterans who are disabled or who served on active duty in the Armed Forces during certain specified time periods or in military campaigns (preference eligibles). These veterans receive preference in hiring from competitive lists of eligible individuals and also in retention during reductions in force. The Veterans Employment Opportunities Act of 1998 gave the U.S. Department of Labor (VETS) the responsibility to investigate formal complaints from preference eligibles who allege that a Federal agency has violated such individual’s rights under any statute or regulation relating to veterans’ preference.

USERRA provides reemployment rights for uniformed service members following qualifying service in the uniformed services. It prohibits employer discrimination against a person on the

FEDERAL ADMINISTRATION

basis of that person's prior military service, current military obligations or intent to join a uniformed service. The law also prohibits employer retaliation against a person who seeks to enforce USERRA rights or assists in an investigation or court proceeding. On behalf of the Secretary of Labor, VETS administers USERRA, investigates complaints, and performs educational outreach activities.

Five-Year Budget Activity History

Fiscal Year	Funding	FTE
2003	26,164	250
2004	28,857	250
2005	30,438	250
2006	30,131	250
2007	30,131	240

FY 2008

In FY 2008, VETS will continue to pilot an effort with the Office of the Special Counsel to split the workload arising from the investigation of USERRA complaints by employees of Federal agencies. Beginning in FY 2006, VETS began to measure USERRA performance by applying a composite index that measures the combined results achieved in processing claims and providing technical assistance. Performance during FY 2005 was used to establish a baseline value of 100%, with targets for the future expressed in percentage point increments above that baseline. VETS anticipates increased efficiencies and the restoration of a level of staff effort comparable to FY 2006 will make it possible to achieve a USERRA Index level for FY 2008 of 102%.

FY 2007

VETS will provide TAP workshops and assistance, funded and implemented through the Jobs for Veterans State Grants budget activity, including coverage of overseas separation sites, in support of the Department's strategic goal of a Competitive Workforce, as well as a Prepared Workforce.

VETS will continue to investigate USERRA complaints, emphasizing the quality of the process for handling complaints. VETS will emphasize USERRA compliance assistance briefings, as constrained funding permits.

VETS anticipates that increased efficiencies will make it possible to maintain the USERRA Index for FY 2007 at the FY 2006 level of 101%. Veterans' Preference emphasis will be on compliance assistance to Federal agencies and on the quality of complaints' processing. Licensing and certification efforts will continue; and, as resources permit will be expanded.

USERRA:

- VETS will emphasize the quality of the complaint-handling process and will continue to provide compliance assistance briefings to USERRA stakeholders, as resources permit.
- VETS will continue to provide ongoing training opportunities for Federal staff on USERRA and Veteran's preference case investigation procedures.

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Veteran's Preference:

- VETS will implement new efforts as a result of quality assurance reviews of its Veterans Preference investigations and will identify any corrective action that may be required to eliminate issues discovered during the reviews.

Compliance Assistance:

- The Department of Labor has made a commitment to improve voluntary compliance with employment laws by enhanced efforts to inform workers and employers of their rights and obligations under the laws it administers and enforces. In keeping with this commitment, VETS' has placed a priority on both case investigations and increased effort to facilitate greater public awareness and compliance through increased outreach and education efforts.

FY 2006

The Department of Labor, through VETS, administers and helps enforce the Uniformed Services Employment and Reemployment Act (USERRA). USERRA prohibits employment discrimination against veterans, individuals who are entering military service, members of the National Guard or Reserve, and certain others with uniformed service commitments.

The law also protects against retaliation by employers because an individual attempts to enforce a USERRA right or assists in an investigation or court proceeding. USERRA also requires that individuals who perform qualifying service in the uniformed services, including the National Guard and Reserve, be reemployed by their pre-service employers with the seniority, status and rate of pay they would have attained if employment had been continuous.

While absent from the job performing service, the law provides that employees are to be treated as if on a furlough or leave of absence and must, upon request, be provided continuation of an employer-provided health plan for up to 24 months. The law applies to virtually all public and private employers, regardless of size.

During FY 2006, VETS initiated measurement of USERRA performance by applying a weighted index that blends significant compliance outputs and assistance outputs to indicate overall progress. The baseline for the USERRA Index was established during FY 2005 and was expressed as 100%. In the absence of data on year-to-year change, a performance target of 105% was projected for FY 2006. The actual result of 101% for FY 2006 has provided a realistic basis for estimating the degree of change that is attainable from one fiscal year to the next.

FEDERAL ADMINISTRATION

In order to make the law more understandable or “user-friendly” to everyone, the Department of Labor has, for the first time, published final comprehensive regulations on USERRA. Codified as title 20, Code of Federal Regulations Part 1002, the regulations became effective January 18, 2006, and apply to private employers and State and local governments.

The issuance of these regulations at this time is particularly significant given the fact that over the course of our Nation’s war on terror, more than twice as many men and women from the National Guard and Reserve have been called to active duty than were mobilized in Operation Desert Storm.

FEDERAL ADMINISTRATION

WORKLOAD SUMMARY			
	FY 2006	FY 2007	FY 2008
	Actuals	Estimate	Request
Federal Administration			
USERRA Case Activities: Number of Complaints Resolved	1,500	1,500	1,534
Education and Outreach: Number of Contacts	122,514	122,514	125,340
Veterans' Preference: Number of Cases Opened	496	496	507
Budget Activity Total	124,510	124,510	127,381

FEDERAL ADMINISTRATION

CHANGES IN FY 2008

(Dollars in Thousands)

Activity Changes		
Built-in		
To provide for:		
Costs of pay adjustments		505
Personnel benefits		234
Two More Days of Pay		5
Travel		20
Transportation of Things		2
GSA Space Rental		29
Communications, utilities & miscellaneous charges		10
Printing and reproduction		2
Advisory and assistance services		2
Other services		253
Working Capital Fund		113
Other Government Accounts (DHS Charges)		2
Purchase of goods and services from other Government accounts		4
Operation and maintenance of equipment		1
Supplies and materials		3
Equipment		4
Total Built-in		1,189
Net Program		\$1,962
Direct FTE		4
	Estimate	FTE
Base	\$31,320	240
Program Increase	\$1,962	4

FEDERAL ADMINISTRATION

**U.S. Department of Labor
Federal Administration
Performance Budget Issue Paper
To Provide for an Increase of Funding and FTE**

Applicable Performance Goal:

Prepared Workforce

Improve the employment outcomes for veterans who receive veterans' program services.

Requested Resources:

A total of +\$33,282,000 is requested, an increase of +\$1,962,000 from the FY 2007 C.R.

Rationale/Strategy and Performance Impact Related to Resource Increase:

The increase will support additional VETS' employees and contract services to provide outreach and education to deploying and returning service members, oversight and technical support of grantees, as well as, IT and performance management.

Marginal Cost Impact:

Marginal cost change supports enhanced capacity of agency to meet anticipated increased demand for veteran services.

Offsets:

None.

Base Level Funding (\$ in thousands):

Base:			
Estimate:	+\$30,131	FTE:	240

Program Performance at Request Level (\$ in thousands):

Program Changes:			
Estimate:	+\$1,962	FTE:	4

FEDERAL ADMINISTRATION

Object Class (\$ in thousands):

Object Class		FY 2008 Request
11.1	Full Time Perm Appts	+\$894
12.1	Federal Employees Retirement System (FERS)	+\$136
12.1	Other Benefits	+\$204
21.0	Travel/Transportation of Persons	+\$200
23.3	RENT, COMMUNICATIONS AND UTILITIES	+\$100
25.2	All Other Services	+\$428
	TOTAL	+\$1,962

VETERANS' EMPLOYMENT AND TRAINING SERVICE

PERFORMANCE CHAPTER

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VETERANS' EMPLOYMENT AND TRAINING SERVICE

Introduction

VETS' three Performance Goals directly support three Departmental Strategic Goals: A Prepared Workforce, A Competitive Workforce, and Safe and Secure Workplaces.

VETS Performance Goal 1, under the Prepared Workforce Strategic Goal, assists veterans to succeed in the civilian workforce. VETS accomplishes this by sponsoring the Jobs for Veterans State Grants Program and the Homeless Veterans' Reintegration Program (HVRP). VETS focuses on the employment rate and the retention rate as the key outcomes of these programs. Those two outcomes will be measured for all veterans and all disabled veterans who participate in One-Stop Career Center services, which include services funded by Jobs for Veterans grants. Those two outcomes also will be measured for homeless veterans who participate in HVRP. The targets for those six indicators for FY 2008 are:

- Percent of veteran participants employed in the first quarter after exit: Target: 66.5%
- Percent of veteran participants employed in the first quarter after exit still employed in the second and third quarters after exit: Target: 82.5%
- Percent of disabled veteran participants employed in the first quarter after exit: Target: 56.5%
- Disabled veterans: Percent of disabled veteran participants employed in the first quarter after exit still employed in the second and third quarters after exit: Target: 80.5%
- Percent of homeless veteran participants employed in the first quarter after exit: Target: 69%
- Percent of homeless veteran participants employed in the first quarter after exit still employed in the second and third quarters after exit: Target: 60%

VETS Performance Goal 2, under the Competitive Workforce Strategic Goal, helps to meet the competitive labor demands of the worldwide economy. It accomplishes this by sponsoring TAP Employment Workshops, which provide transition assistance services to separating military service members at U.S. installations and at numerous installations abroad. The target for FY 2008 is to provide TAP Employment Workshops to approximately 160,000 participants.

VETS Performance Goal 3, under the Safe and Secure Workplaces Strategic Goal, promotes workplaces that are fair. It accomplishes this through stewardship of the Uniformed Services Employment and Reemployment Rights Act (USERRA), which seeks to reduce employment issues originating from service members' military obligations conflicting with their civilian employment. Performance for this goal will be measured by use of a weighted index that blends significant compliance outputs (accounting for externally-driven workload trends and average case age) and assistance outputs (such as numbers of mobilization and demobilization briefings) to indicate overall progress of USERRA activities. The target for FY 2008 is 102% (against a baseline of 100% established in FY 2005).

VETERANS' EMPLOYMENT AND TRAINING SERVICE

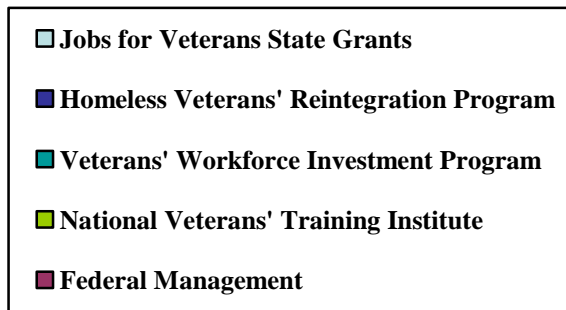
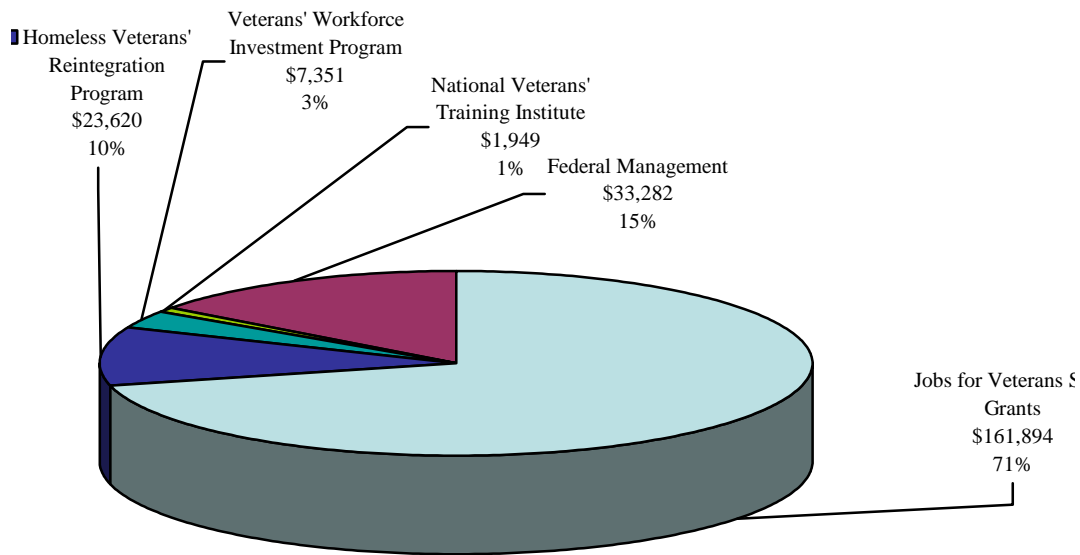
Cost Model

VETS requests a total of \$228,096,000, an increase of approximately 2.4% or \$5,430,610 over the FY 2007 Continuing Resolution level. As indicated above, VETS will refocus efforts and resources in FY 2008, to support three of the Secretary of Labor's Strategic Goals—A Prepared Workforce, A Competitive Workforce, and Safe and Secure Workplaces. VETS' maintains three distinct performance goals that support and contribute to these strategic goals.

FY 2008 Budget Request by Program Activity

Total VETS' Budget: \$228,096

(\$ in thousands)



VETERANS' EMPLOYMENT AND TRAINING SERVICE

Performance Challenges

External Challenges

The number of Veterans who are unemployed may increase starting in FY 2007 as military services demobilize more Guard and Reserve and lift their stop-loss orders. VETS assumes that general unemployment within the civilian labor force will not increase in 2007 and 2008. VETS will continue to encourage priority of service for veterans at One Stop Career Centers; it will rely on State partners to determine the most effective methods. VETS will also continue its campaign to increase demand for veteran workers within the employer community.

Any situation that results in increases or decreases of the number of individuals on active duty, whether increases in the military services, or those in National Guard or reserve components, or other uniformed service, will impact VETS' available resources and ability to meet its performance goals. The military is expected to continue releasing additional service members during FY 2007 and 2008 to return to civilian life. P.L. 108-183 mandated the extension of TAP Program workshops to overseas military installations; this requirement has been a challenge and consumes a considerable portion of the resources available to VETS. The Global War on Terrorism has required that substantial numbers of citizen soldiers be away on extended military duty, putting pressure on employers and families. VETS must remain prepared to provide additional information to service members and their employers on rights and responsibilities, and VETS must use its staff effectively to address individual problems as they arise.

A VETS priority is to improve service to disabled veterans because the entered employment rate for this group has been lower than expected. VETS also will ask its partners to address the needs of spouses and dependents of those members of the armed forces that have died overseas. VETS will ensure smooth coordination with the VA to ensure that disabled veterans, spouses and dependents can avail themselves of the funding available for training or education under Chapters 31 and 35, title 38 U.S.C.

Internal Challenges

The transition to a new reporting system and common measures has resulted in a number of issues with regard to accurate and timely reporting of performance for the nation's State Workforce Agency system. The following issues impact our estimates:

- Data for additional years are required to refine the target, output and outcome measures.
- A key component of the JVA – priority of service throughout the One-Stop Career Center system – has been very difficult to measure.
- The new funding formula in JVA has caused States to take a fiscally conservative approach and delay filling of VETS-funded staff positions. With additional State staff, entered employment rates for veterans could be further improved.

VETS must ensure that States are aware of and held accountable for congressionally mandated services to veterans.

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VETS recently revised the approach for assessing progress implementing USERRA. In FY 2005 a baseline value of 100% was established and, in the absence of data on year-to-year change, an annual improvement of five percent was projected. The FY 2006 result of 101% now is regarded as a realistic basis for estimating the annual degree of change attainable. With the FY 2007 funding level reducing staff effort, VETS anticipates that increased efficiencies will make it possible to maintain the 101% level for a second year. For FY 2008, VETS anticipates that restoration of the FY 2006 staffing level and increased efficiencies will make it possible to attain a USERRA Index level of 102%.

PART issues

During FY 2005, a PART review was conducted addressing the Jobs for Veterans State Grants Program, which funds State Workforce Agencies to provide the services of Disabled Veterans Outreach Program (DVOP) specialists and Local Veterans Employment Representative (LVER) staff. The program was rated Moderately Effective, according to the PART rating scale. As a result of the review, three recommendations for future action were identified:

- Setting aggressive targets for performance outcomes to improve services to veterans.
- Establishing performance targets for individual State grants using new data and refined performance measures.
- Conducting an independent evaluation to assess the employment outcomes resulting from the programmatic changes made by the Jobs for Veterans Act and other changes underway within the workforce system.

Using interim results for PY 2005 as baseline information under the common measures, VETS and State Workforce Agencies have negotiated performance goals for PY 2006 for One-Stop Career Centers and for DVOP/LVER services, in response to the first two recommendations above. With respect to the third recommendation, a contract was awarded during August 2006 and the results are expected from that project by the end of FY 2007.

During FY 2006, a PART review of the Homeless Veterans' Reintegration Program (HVRP) was conducted. HVRP provides competitive grants to community-based organizations, which coordinate the broad range of housing, medical and employment services needed to help homeless veterans find and retain employment.. The program was rated Moderately Effective, according to the PART rating scale. As a result of the review, the following conclusions about program performance were identified:

- The program takes advantage of existing capabilities by assigning a DVOP specialist funded by the Jobs for Veterans State Grants program to assist each HVRP grantee.
- In PY 2005, 65% of program participants entered employment and 58% retained their jobs nationwide.
- The effectiveness of the program has not yet been independently evaluated.

VETERANS' EMPLOYMENT AND TRAINING SERVICE

Also as a result of the review, the following future actions were identified to improve the performance of the program:

- Planning a rigorous evaluation of HVRP, to begin in 2007.
- Continuing to improve cost effectiveness and reducing cost disparities across grantees through a competitive grantee selection process and monitoring.
- Setting ambitious employment outcome goals for homeless veterans served by the program.

Program Efficiency Measures

Cost per participant in the Jobs for Veterans Grant Program

During PY 2006, VETS introduced two refinements to the efficiency measure for this program. First, the refined efficiency measure only includes those outputs that are directly associated with services provided by DVOP specialists and LVER staff under the Jobs for Veterans State Grants. Second, the efficiency measure now includes the outputs that relate to the attendance of transitioning service members in TAP Employment Workshops, since all TAP Employment Workshops are now supported by Jobs for Veterans funding. VETS also continues to leverage agency budget resources to augment grants administration by supporting NVTI training and by providing TAP facilitators through contract resources in those instances in which that is the most efficient alternative.

Cost per Homeless Veterans' Reintegration Program Participant

VETS' strategy for increasing efficiency for this measure includes leveraging resources through interagency (such as HUD, VA and DOL's Office of Disability Employment Policy), community, and stakeholder partnerships. VETS has also refined the focus of the HVRP program to augment the DVOP/LVER program. This strategy serves to reduce redundancy of efforts/resource expenditure, facilitate coordination, and create synergy between programs.

Cost per USERRA Complaint Resolved

The agency plans to increase efficiency by continuing to emphasize compliance assistance as an effective means of reducing complaints. It is anticipated that the new USERRA Progress index will increase VETS' ability to evaluate its performance in processing complaints and will allow the agency to better allocate resources to set and accomplish goals. VETS will also continue to use the Department's Cost Accounting Model to ascertain the overall usage of agency resources to process complaints, provide USERRA education and outreach, and align resource allocation with programmatic goals.

VETERANS' EMPLOYMENT AND TRAINING SERVICE

Conclusion

VETS employs a performance management process that constantly evaluates the employment and training needs of veterans and returning service members to devise the most appropriate mix of services and use of resources.

For example, while providing a share of service to veterans and oversight on priority of service within State Workforce Agencies and the One-Stop Career Center environment is an ongoing function, DVOPs and LVERS participate in other important activities. Many are used to conduct TAP workshops or to further special initiatives such as REALifelines and special programs for incarcerated veterans.

Others coordinate with the VA's Vocational Rehabilitation and Employment program for disabled veterans. Changes in the situation of veterans and service members, especially those most in need or affected by the Global War on Terror, dictate the emphasis that VETS places on prioritizing limited resources.

Resources available are the key factor in the level of achievement relative to services to veterans and the resulting number of veterans entering employment. VETS continually seeks productivity increases and quality improvements within existing resources while remaining alert to other factors, as noted above, that also influence overall accomplishments.

VETERANS' EMPLOYMENT AND TRAINING SERVICE

BUDGET AUTHORITY by STRATEGIC GOAL					
(Dollars in Thousands)					
Performance Goal	DOL Strategic Goal 1: A Prepared Workforce	DOL Strategic Goal 2: A Competitive Workforce	DOL Strategic Goal 3: Safe and Secure Workplaces	DOL Strategic Goal 4: Strengthened Economic Protections	Total Budget Authority
Performance Goal 1:	206,195	8,179	0	0	214,374
State Grants	153,715	8,179	0	0	161,894
Homeless Veterans' Reintegration Program	23,620	0	0	0	23,620
Veteran's Workforce Investment Program	7,351	0	0	0	7,351
National Veterans' Employment and Training Service Institute	1,949	0	0	0	1,949
Federal Administration	19,560	0	0	0	19,560
Performance Goal 2:	0	0	13,722	0	13,722
Federal Administration	0	0	13,722	0	13,722
Agency Total	206,195	8,179	13,722	0	228,096

As an administrative activity, funding for these resources has been allocated to the agencies' performance goals within the agency program activity

VETERANS' EMPLOYMENT AND TRAINING SERVICE

TOTAL BUDGETARY RESOURCES by ACTIVITY
FY 2006 – 2008
(Dollars in Thousands)

	FY 2006 Enacted				FY 2007 C. R.				FY 2008 Request			
	Activity Approp.	Other Approp. ^{1/}	Other Resrcs. ^{2/}	Total	Activity Approp.	Other Approp. ^{1/}	Other Resrcs. ^{2/}	Total	Activity Approp.	Other Approp. ^{1/}	Other Resrcs. ^{2/}	Total
Federal Administration	30,131	-30,131	0	0	30,131	-30,131	0	0	33,282	-33,282	0	0
State Grants	160,791	19,585	0	180,376	160,791	19,585	0	180,376	161,894	21,633	0	183,527
Homeless Veterans' Reintegration Program	21,780	6,930	0	28,710	21,780	6,930	0	28,710	23,620	7,655	0	31,275
National Veterans' Employment and Training Service Institute	1,964	3,314	0	5,278	1,964	3,314	0	5,278	1,949	3,661	0	5,610
Veteran's Workforce Investment Program	7,425	302	0	7,727	8,000	302	0	8,302	7,351	333	0	7,684
Total	222,091	0	0	222,091	222,666	0	0	222,666	228,096	0	0	228,096

^{1/} "Other Appropriation" is comprised of resources appropriated elsewhere, but for which the benefits accrue toward the operation of the budget activities. (Mgmt Crosscut, Executive Direction, and IT Crosscut)

^{2/} "Other Resources" include funds that are available for a budget activity, but not appropriated such as, reimbursements and fees

VETERANS' EMPLOYMENT AND TRAINING SERVICE

DISTRIBUTION of OTHER APPROPRIATED RESOURCES			
(Dollars in Thousands)			
	FY 2006	FY 2007	FY 2008
	Enacted	C. R.	Request
Federal Administration	-30,131	-30,131	-33,282
Program Administration	-30,131	-30,131	-33,282
State Grants	19,585	19,585	21,633
Program Administration	19,585	19,585	21,633
Homeless Veterans' Reintegration Program	6,930	6,930	7,655
Program Administration	6,930	6,930	7,655
National Veterans' Employment and Training Service Institute	3,314	3,314	3,661
Program Administration	3,314	3,314	3,661
Veteran's Workforce Investment Program	302	302	333
Program Administration	302	302	333

VETERANS' EMPLOYMENT AND TRAINING SERVICE

Performance Goal 08-1F Veterans' Employment and Training Service

Improve the employment outcomes for veterans who receive One-Stop Career Center services and veterans' program services.

	PY 2003		PY 2004		PY 2005		PY 2006		PY 2007	PY 2008
	Goal Achieved		Goal Achieved		Goal Achieved					
Performance Indicator	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target
Veteran Entered Employment Rate	58.0%	58.0%	58.0%	60.0%	59.0%	61%	60%	TBD	64%	66.5%
Veteran Employment Retention Rate	72.0%	79.0%	80.0%	81.0%	81.0%	81%	81%	TBD	82%	82.5%
Disabled Veteran Entered Employment Rate	N/A	N/A	54.0%	56.0%	55.0%	56%	55%	TBD	56%	56.5%
Disabled Veteran Employment Retention Rate	N/A	N/A	78.0%	79.0%	79.0%	79%	79%	TBD	80%	80.5%
Homeless Veteran Entered Employment Rate	54.5%	61.0%	60.0%	65.0%	61.0%	68%	68%	TBD	68.5%	69%
Homeless Veteran 180-Day Employment Retention Rate	N/A	N/A	Baseline	57%	58%	58%*	58.5%	TBD	59%	60%
TAP Participant Entered Employment Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD

*Estimate based on data through the third quarter.

VETERANS' EMPLOYMENT AND TRAINING SERVICE

Performance Goal 08-3D Veterans' Employment and Training Service

Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment

	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007	FY 2008
	Goal Achieved		Goal Achieved		Goal Not Achieved		Goal Not Achieved			
Performance Indicator	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target
Cases Resolved in 90 Days	84%	89%	84%	84%	84%	81%	-	-	-	-
Cases Resolved in 120 days	92%	94%	92%	92%	92%	88%	-	-	-	-
Cases Resolved in One Year	99%	100%	99%	100%	99%	100%	-	-	-	-
USERRA Progress Index*					Baseline	100%	105%	101%	101%	102%
*This Index blends significant compliance outputs (accounting for externally-driven workload trends and average case age) and assistance outputs (such as numbers of mobilization/demobilization briefings) into a weighted measurement index showing overall progress among all USERRA activities.										

VETERANS' EMPLOYMENT AND TRAINING SERVICE

PART RECOMMENDATIONS AND STATUS

Agency/Program: VETS/Jobs for Veterans State Grants				
PART Recommendation	Milestone(s)	Target (FY/Q)	Completion (FY/Q)	Comments on Status: Reference Documentation
Setting aggressive targets for performance outcomes to improve services to veterans.	Definition of grant-based indicators for PY 2006	FY2006/2	FY2006/2	Definitions of indicators for grant-based measures were revised prior to issuing guidance.
Establishing performance targets for individual State grants using new data and refined performance measures.	Negotiation of targets with states for One-Stop and grant-based measures	FY2006/3	FY2006/3	Guidance was issued on May 19, 2006 – Veterans Program Letter 4-06, Negotiating Veterans' Service Performance Goals for Program Year 2006.
Conducting an independent evaluation to assess the employment outcomes resulting from the programmatic changes made by the Jobs for Veterans Act and other changes underway within the workforce system	a) Award b) Completion	a) Award FY2006/4	b) Completion FY2007/4	Evaluation was awarded to contractor during August of 2006. Project is scheduled to be completed by September 2007.

VETERANS' EMPLOYMENT AND TRAINING SERVICE

EFFICIENCY MEASURES

Program/Budget Activity:	VETS – Jobs for Veterans (DVOP/LVER) State Grant Program				
	PART Year 2007				
Status of OMB Approval:	OMB Approval Pending				
Efficiency Measure:	Cost per participant in DVOP/LVER Employment Services and in TAP Employment Workshops				
Numerator Description:	Jobs for Veterans appropriation				
Denominator Description:	Veterans who received a DVOP/LVER service+ participants in TAP Employment Workshops				
Baseline Data:	PY 2004	Numerator: \$161,457,000			Ratio: \$194
		Denominator: 834,169*			
Targets	Year	PY 2005 N/A**	PY 2006 \$190	PY 2007 \$189	PY 2008 \$188
	Ratio	N/A	N/A	N/A	N/A
Comment/Data Source	<p>*834,169 were served by DVOP/LVER staff and 137,716 participated in TAP workshops.</p> <p>**This definition of the efficiency measure was applied for the first time for PY 2006.</p> <p>Data on DVOP/LVER services from State grantee submissions of VETS 200 Reports; TAP Employment Workshop Participant data from VETS' TAP Activity Reports.</p> <p>This measure is important because it reflects the cost of delivering to veterans all the services provided under Jobs for Veterans Act funding. These services include the employment services provided by DVOP/LVER staff at One-Stop Career Centers, as well as the TAP Employment Workshops provided by DVOP/LVER staff and contract facilitators in the U.S. and abroad. It allows VETS to project its budgetary needs based upon its goals. The measurement also allows VETS the opportunity to evaluate whether or not the agency is operating at capacity, and whether greater numbers of veterans can be served each year by reducing costs or leveraging resources to maximize outputs and outcomes.</p>				

VETERANS' EMPLOYMENT AND TRAINING SERVICE

Strategies for Achieving Efficiency	The agency plans to maximize efficiency by encouraging greater integration of services with VETS programs/budget activities such as HVRP and VWIP and by providing TAP facilitators through contract resources in those instances in which that is the most efficient alternative. VETS also continues to leverage agency budget resources to augment and support grants administration through NVTI training.
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Program/Budget Activity:	VETS – Homeless Veterans Reintegration				
PART Year	2008				
Status of OMB Approval:	<i>OMB Approval Pending</i>				
Efficiency Measure:	<i>Cost per Homeless Veterans' Reintegration Program Participant</i>				
Numerator Description:	<i>HVRP Appropriation</i>				
Denominator Description:	<i>Homeless Veterans' Reintegration Program Participants</i>				
Baseline Data:	PY 2004	Numerator:			Ratio: \$1541
		Denominator:			
Targets	Year	PY 2005	PY 2006	PY 2007	PY 2008
		\$1580	\$1571	\$1568	\$1565
	Ratio	\$1507	\$N/A	N/A	N/A
Comment/Data Source	Source: Grantee reports to the VOPAR system. This measure is important to VETS' budget and integration process because it provides a unit cost measure for each program participant. This measure enables VETS to evaluate the correlation between resource expenditures and achieving program goals. This performance measure also empowers VETS to project future resource needs based upon program goals.				

VETERANS' EMPLOYMENT AND TRAINING SERVICE

Strategies for Achieving Efficiency	VETS' strategy for increasing efficiency includes: leveraging resources through interagency (such as HUD, VA and ODEP), community and stakeholder partnerships. VETS has also refined the focus of the HVRP program to augment the DVOP/LVER program. This strategy serves to reduce redundancy of efforts/resource expenditure and create a seamless linkage, as well as synergy, between agency programs. For instance, the focus of HVRP, given the unique needs of the population served, allows for greater emphasis upon skill enhancement and job readiness. Once participants receive the job readiness services they need, the same participants then become better positioned to avail themselves of the services delivered through VETS' State Administration resources via the DVOP-LVERs.
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Program/Budget Activity:	VETS – USERRA				
PART Year					
Status of OMB Approval:	<i>OMB Approval Pending</i>				
Efficiency Measure:	<i>Cost per USERRA Complaint Resolved</i>				
Numerator Description:	<i>Cost of case activity</i>				
Denominator Description:	<i>Number of complaints resolved</i>				
Baseline Data:	FY 2005	Numerator: \$3,440,000		Ratio: \$2824	
		Denominator: 1,218			
Targets	Year	FY 2005 Baseline	FY 2006 \$2490	FY 2007 \$2390	FY 2008 \$2300
	Ratio	\$2,824	N/A	N/A	N/A
Comment/Data Source	Data from the VETS UIMS System. This measure is important because it identifies the estimated average cost of processing USERRA complaints. Unit cost analysis enables VETS to understand how its resources are currently being expended to produce current outcomes and how those same resources can best be used to achieve greater future outcomes.				

VETERANS' EMPLOYMENT AND TRAINING SERVICE

Strategies for Achieving Efficiency

The agency plans to increase efficiency by continuing to emphasize compliance assistance as an effective means of reducing complaints. It is anticipated that the new USERRA Progress index will increase VETS' ability to evaluate its performance in processing complaints and delivering assistance and therefore allow the agency to better allocate resources to set and accomplish goals. VETS will also continue to use the Cost Accounting Model to ascertain the overall usage of agency resources to process complaints, deliver assistance, and align resource allocation with programmatic goals.