

FY 2011

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Program Administration

PROGRAM ADMINISTRATION

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APPROPRIATION LANGUAGE

For expenses of administering employment and training programs, [\$85,323,000] *\$104,904,000*, together with not to exceed [\$45,140,000] *\$57,138,000*, which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund. (*Department of Labor Appropriations Act, 2010.*)

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EXPLANATION OF LANGUAGE CHANGE

No change.

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ANALYSIS OF APPROPRIATION LANGUAGE

Not applicable.

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AMOUNTS AVAILABLE FOR OBLIGATION								
(Dollars in Thousands)								
	FY 2009 Enacted		Recovery Act		FY 2010 Enacted		FY 2011 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	469	85,323	0	0	506	97,516	553	104,904
Other Supplementals and Rescissions	0	0	0	0	0	0	0	0
Appropriation, Revised	469	85,323	0	0	506	97,516	553	104,904
<i>Subtotal Appropriation</i>	469	85,323	0	0	506	97,516	553	104,904
Offsetting Collections From:	0	0	0	0	0	0	0	0
Reimbursements	4	521	0	0	4	542	4	563
Trust Funds	297	45,140	0	0	268	50,140	307	57,138
Fees	0	0	0	0	0	0	0	0
Expenditure Transfers from TES, CSEOA, ES	0	0	171	44,700	0	0	0	0
Non-Expenditure Transfers from DM	0	0	55	14,967	0	0	0	0
<i>Subtotal Offsetting Collections From:</i>	301	45,661	226	59,667	272	50,682	311	57,701
B. Gross Budget Authority	770	130,984	226	59,667	778	148,198	864	162,605
Offsetting Collections	0	0	0	0	0	0	0	0
Deduction:	0	0	0	0	0	0	0	0
Reimbursements	-4	-521	0	0	-4	-542	-4	-563
Fees	0	0	0	0	0	0	0	0
Expenditure Transfers from TES, CSEOA, ES	0	0	-171	-44,700	0	0	0	0
Non-Expenditure Transfers from DM	0	0	-55	-14,967	0	0	0	0
<i>Subtotal Deduction</i>	-4	-521	-226	-59,667	-4	-542	-4	-563
C. Budget Authority	766	130,463	0	0	774	147,656	860	162,042
Before Committee	766	130,463	0	0	774	147,656	860	162,042
Offsetting Collections From:	0	0	0	0	0	0	0	0
Reimbursements	4	521	0	0	4	542	4	563
Fees	0	0	0	0	0	0	0	0
IT Crosscut	0	0	0	0	0	0	0	0
Expenditure Transfers from TES, CSEOA, ES	0	0	171	44,700	0	0	0	0
Non-Expenditure Transfers from DM	0	0	55	14,967	0	0	0	0
<i>Subtotal Offsetting Collections From:</i>	4	521	226	59,667	4	542	4	563
D. Total Budgetary Resources	770	130,984	226	59,667	778	148,198	864	162,605
Other Unobligated Balances	0	0	0	0	0	0	0	0
Unobligated Balance Expiring	-78	-450	0	0	0	0	0	0
E. Total, Estimated Obligations	692	130,534	226	59,667	778	148,198	864	162,605

Note: Of the 78 lapsed FTE in FY 2009, 60 were reassigned to work on ARRA activities.

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2010 Enacted	FY 2011 Request	Net Change
Budget Authority			
General Funds	97,516	104,904	+7,388
Trust Funds	50,140	57,138	+6,998
Total	147,656	162,042	+14,386
 Full Time Equivalents			
General Funds	506	553	+47
Trust Funds	268	307	+39
Total	774	860	+86

Explanation of Change	FY 2010 Base		Trust Funds		FY 2011 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	774	79,860	0	359	0	601	0	960
Personnel benefits	0	20,326	0	95	0	195	0	290
Federal Employees Compensation Act (FECA)	0	643	0	6	0	143	0	149
Benefits for former personnel	0	35	0	0	0	0	0	0
Travel and transportation of persons	0	1,674	0	0	0	0	0	0
Transportation of things	0	44	0	0	0	0	0	0
Rental payments to GSA	0	8,343	0	453	0	907	0	1,360
Communications, utilities, and miscellaneous charges	0	1,112	0	0	0	0	0	0
Printing and reproduction	0	575	0	0	0	0	0	0
Advisory and assistance services	0	1,766	0	0	0	0	0	0
Other services	0	1,194	0	0	0	0	0	0
Homeland Security	0	1,206	0	0	0	0	0	0
Operation and maintenance of facilities	0	42	0	0	0	0	0	0
Operation and maintenance of equipment	0	10,135	0	0	0	0	0	0
Supplies and materials	0	772	0	0	0	0	0	0
Equipment	0	4,338	0	0	0	0	0	0
Insurance claims and indemnities	0	50	0	0	0	0	0	0
Built-Ins Subtotal	774	132,115	0	913	0	1,846	0	2,759
 B. Program:								
To Provide for an increase in Adult activity for Trade Workload under the Recovery Act	266	56,498	16	2,492	0	0	16	2,492
To provide for an increase in Apprenticeship staff to address core functions of registering apprenticeship programs and apprentices and technical	155	28,012	0	0	5	953	5	953

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Explanation of Change	FY 2010 Base		FY 2011 Change				Total	
			Trust Funds		General Funds			
assistance to program sponsors.								
To Provide for an increase in Workforce Security for Detecting and Preventing Employee Misclassification	239	43,658	2	286	0	14	2	300
To provide funding for 14 staff supporting the Youth activities for continuing Recovery act activities in 2011	67	12,663	0	0	14	2,140	14	2,140
To provide funding for 18 staff supporting the Adult activities for continuing Recovery act activities in 2011	266	56,498	0	0	18	2,799	18	2,799
To provide funding for 21 staff supporting the Workforce Security activities for continuing Recovery act activities in 2011	239	43,658	21	3,293	0	0	21	3,293
Programs Subtotal			+39	+6,071	+37	+5,906	+76	+11,977
C. Financing:								
Financing Contractors to FTE	313	66,071	0	0	10	0	10	0
Financing Subtotal			0	0	+10	0	+10	0
Total Increase	+774	+132,115	+39	+6,984	+47	+7,752	+86	+14,736
Decreases:								
A. Built-Ins:								
To Provide For:								
Working Capital Fund	0	15,541	0	0	0	-350	0	-350
Built-Ins Subtotal	0	15,541	0	0	0	-350	0	-350
B. Program:								
C. Financing:								
Total Decrease	0	+15,541	0	0	0	-350	0	-350
Total Change	+774	+147,656	+39	+6,984	+47	+7,402	+86	+14,386

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	FY 2009 Enacted		Recovery Act		FY 2010 Enacted		FY 2011 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Adult Services	242	51,061	156	40,315	266	55,412	308	61,789
General Funds	199	43,250	156	40,315	223	46,859	249	50,564
Unemployment Trust Funds	43	7,811	0	0	43	8,553	59	11,225
Youth Services	62	10,932	29	6,099	67	12,308	81	14,803
General Funds	62	10,932	29	6,099	67	12,308	81	14,803
Workforce Security	214	38,945	41	13,253	239	42,986	262	47,251
General Funds	14	3,669	23	9,253	26	3,490	26	3,450
Unemployment Trust Funds	200	35,276	18	4,000	213	39,496	236	43,801
Apprenticeship	127	21,447	0	0	155	27,784	160	28,965
General Funds	127	21,447	0	0	155	27,784	160	28,965
Executive Direction	47	8,078	0	0	47	9,166	49	9,234
General Funds	35	6,025	0	0	35	7,075	37	7,122
Unemployment Trust Funds	12	2,053	0	0	12	2,091	12	2,112
Total	692	130,463	226	59,667	774	147,656	860	162,042
General Funds	437	85,323	208	55,667	506	97,516	553	104,904
Unemployment Trust Funds	255	45,140	18	4,000	268	50,140	307	57,138

NOTE: FY 2009 reflects actual FTE.

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BUDGET AUTHORITY BY OBJECT CLASS						
(Dollars in Thousands)						
		FY 2009 Enacted	Recovery Act	FY 2010 Enacted	FY 2011 Request	Change FY 11 Req. / FY 10 Enacted
	Full-Time Equivalent					
	Full-time Permanent	688	226	774	860	86
	Reimbursable	4	0	4	4	0
	Total	692	226	778	864	86
	Total Number of Full-time Permanent Positions	692	226	778	864	86
	Average SES Salary	162,720	0	167,602	170,954	3352
	Average GM/GS Grade	12	0	12	12	0
	Average GM/GS Salary	95,063	0	98,523	98,638	115
11.1	Full-time permanent	65,784	7,409	76,257	84,829	8572
11.3	Other than full-time permanent	1,096	24,369	850	850	0
11.5	Other personnel compensation	2,974	720	2,753	2,955	202
11.9	Total personnel compensation	69,854	32,498	79,860	88,634	8774
12.1	Civilian personnel benefits	18,684	7,771	20,969	23,483	2514
13.0	Benefits for former personnel	33	0	35	35	0
21.0	Travel and transportation of persons	1,488	2,824	1,674	1,974	300
22.0	Transportation of things	7	0	44	44	0
23.1	Rental payments to GSA	8,044	0	8,343	10,411	2068
23.3	Communications, utilities, and miscellaneous charges	1,134	0	1,112	1,186	74
24.0	Printing and reproduction	207	0	575	575	0
25.1	Advisory and assistance services	5,503	8,560	1,766	1,729	-37
25.2	Other services	414	0	1,194	1,194	0
25.3	Other purchases of goods and services from Government accounts 1/	18,013	0	16,747	17,549	802
25.4	Operation and maintenance of facilities	19	0	42	42	0
25.7	Operation and maintenance of equipment	5,717	7,076	10,135	9,730	-405
26.0	Supplies and materials	621	0	772	846	74
31.0	Equipment	680	938	4,338	4,560	222
42.0	Insurance claims and indemnities	45	0	50	50	0
	Total	130,463	59,667	147,656	162,042	14,386
	1/Other Purchases of Goods and Services From Government Accounts					
	Working Capital Fund	18,013	0	15,541	16,301	760
	DHS Services	0	0	1,206	1,248	42

NOTE: FY 2009 reflects actual FTE.

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APPROPRIATION HISTORY (Dollars in Thousands)

	<u>Budget Estimates to Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>	<u>Direct FTE^{10/}</u>
2001.....	159,311	146,000	156,158	158,863	1,360
2002.....	161,078	161,863	161,078	161,031	1,300
2003.....	170,996	172,061	177,642	174,510	1,257
2004.....	183,365	172,327	178,961	177,349	1,214
2005.....	181,018	168,854	177,615	170,101	1,142
2006.....	206,861	206,111	206,111	198,000	1,051
2007.....	189,304	199,708	199,708	199,708	1,160
2008.....	216,162	170,500	185,505	172,323	897
2009.....	144,011	-	131,153	130,463	766
2010.....	147,906	146,406	148,906	147,656	774
2011	162,042	-	-	-	860

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

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

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

^{4/} Reflects a .65% rescission.

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

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

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

^{8/} Reflects a 1.747% rescission.

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

^{10/} FTE numbers are ceilings, not actual FTE.

^{11/} This bill was only reported out of subcommittee and was not passed by the Full House.

PROGRAM ADMINISTRATION

Overview

Introduction

The Employment and Training Administration (ETA) Program Administration (PA) account finances staff for leadership, policy direction, and administration of the following programs authorized by the Workforce Investment Act (WIA): Adults, Dislocated Workers, Youth, Workforce Information, National Activities, the Indian and Native American Program, the Migrant and Seasonal Farmworker Program, and Women in Non-Traditional Occupations (WANTO). The PA account also finances staff for Unemployment Insurance, the Employment Service (ES), Community Service Employment for Older Americans (CSEOA), Work Opportunity Tax Credits, the Trade Adjustment Assistance program, and the Office of Apprenticeship.

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

- 1) Increasing workers' incomes and narrowing wage and income inequality;
- 2) Assuring skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like "green" jobs;
- 3) Breaking down barriers to fair and diverse work places so that every worker's contribution is respected;
- 4) Income support when work is impossible or unavailable;
- 5) Helping workers who are in low-wage jobs or out of the labor market find a path to middle class jobs; and
- 6) Helping middle-class families remain in the middle class.

The ETA Program Administration account provides the Federal resources that support critical functions necessary to administer these programs, and to ensure that these resources are used efficiently and effectively.

The FY 2011 Budget request of \$162,042,000 supports 860 direct full-time equivalent (FTE) staff. This represents an increase of \$14,386,000 from the FY 2010 enacted budget. The request funds built-in increases and costs for the continued monitoring and oversight of American Recovery and Reinvestment Act (Recovery Act) funds beyond September 30, 2010, along with a program increase for the Office of Apprenticeship. The funding also includes \$300,000 and two FTE for the Office of Unemployment Insurance to implement the Misclassification Initiative. Additionally, ETA estimates that four FTE and \$563,000 will be reimbursed by the Federal Emergency Management Agency (FEMA) to support disaster unemployment assistance (DUA) activities. The appropriation request is financed by both general revenues and transfers from the Unemployment Trust Fund.

As part of its efforts to improve accountability and increase efficiency, ETA is proposing the conversion of 10 positions currently encumbered by contractors to Federal positions. The conversion will result in the development of a stable workforce in critical areas and increased

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Federal oversight. Conversion will only occur where it is financially advantageous to the agency. (See the table below.)

The Recovery Act significantly increased funding to WIA, CSEOA, and ES programs, and, in addition, created a number of enhancements to the Unemployment Insurance (UI) program, reauthorized and substantially expanded the Trade Adjustment Assistance program, and added two new target groups to the Work Opportunity Tax Credit. Each of these activities has required dedicated staff to implement and administer the expanded programs. The Recovery Act provided that up to one percent of the funds it provided could be used for program administration. The Department has allocated \$44,700,000 of Recovery Act funds to the Program Administration account, along with \$14,967,000 received in Departmental Funds, to support Recovery Act efforts. The funding provided for 60 FTE in FY 2009 and 226 FTE in FY 2010. This request would provide funding for essential functions related to the Recovery Act that will continue into FY 2011. Many grants funded through the Recovery Act, such as those for Green Jobs and Training and Placement in High Growth and Emerging Industry Sectors, will not be awarded until FY 2010, and the activities funded through those grants will not start until later in FY 2010, and will continue into FY 2011 and beyond. Important activities, such as the oversight and monitoring of how Recovery Act funds are being expended, will continue into FY 2011, as will the need to provide for staff to conduct the closeout activities for the numerous Recovery Act grants and contracts. The request also includes funding for 16 FTE to continue the work in the Office of Trade Adjustment Assistance that was authorized under the Recovery Act. The reauthorized and expanded program will require these additional staff in FY 2011 to carry out essential functions such as investigating and determining Trade petitions, monitoring and overseeing grant management in the regions, and providing technical assistance and training to the workforce system. (See the table below.)

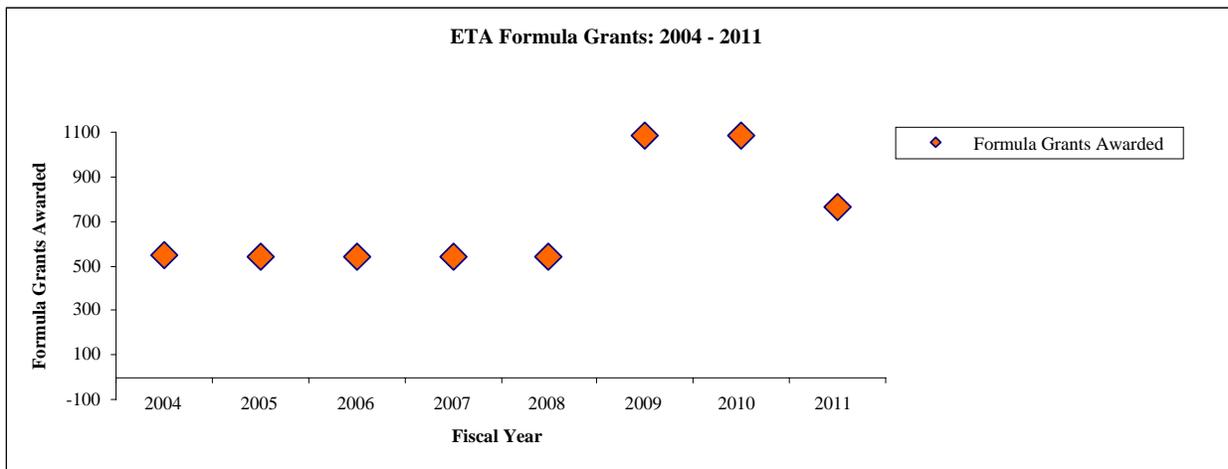
Program Offices (Acronym)	FY 2010 FTE Status		FY 11 FTE Proposal		
	FY10 FTE	Recovery Act FTE (ending 9/30/10)	Contractor Conversion	Additional FTE Increase	FY11 Total
Regional Staff (ORM)	286	114		+48	334
Office of Trade Adjustment Assistance (OTAA)	34	16		+16	50
Contracts and Grants (OFAM)	52	13		+3	55
Performance & Technology	35	5	+8		43
Office of Apprenticeship (OA)	155			+5	160
Unemployment Insurance (UI)	63	3		+2	65
Policy Direction and Research (OPDR)	33	7	+2	+2	37
Balance of PA	116	68			116
TOTAL	774	226	+10	+76	860

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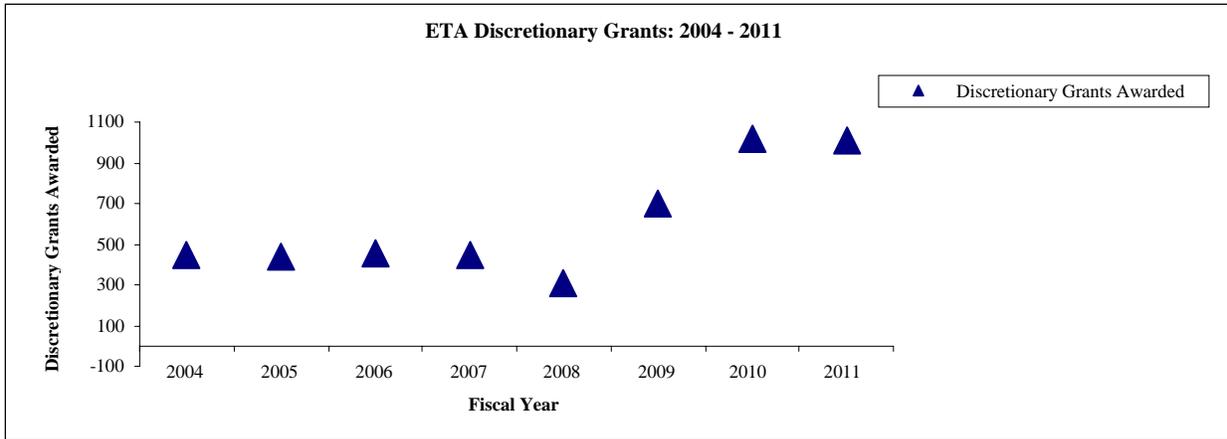
Justification for Increase

The Office of Regional Management (ORM), the Office of Trade Adjustment Assistance (OTAA), and the Office of Financial and Administrative Management (OFAM) are currently managing and will continue to manage increased workloads under the Recovery Act through FY 2011. In addition, the Office of Policy Development and Research (OPDR) will oversee evaluation of Recovery Act programs and activities beyond FY 2010.

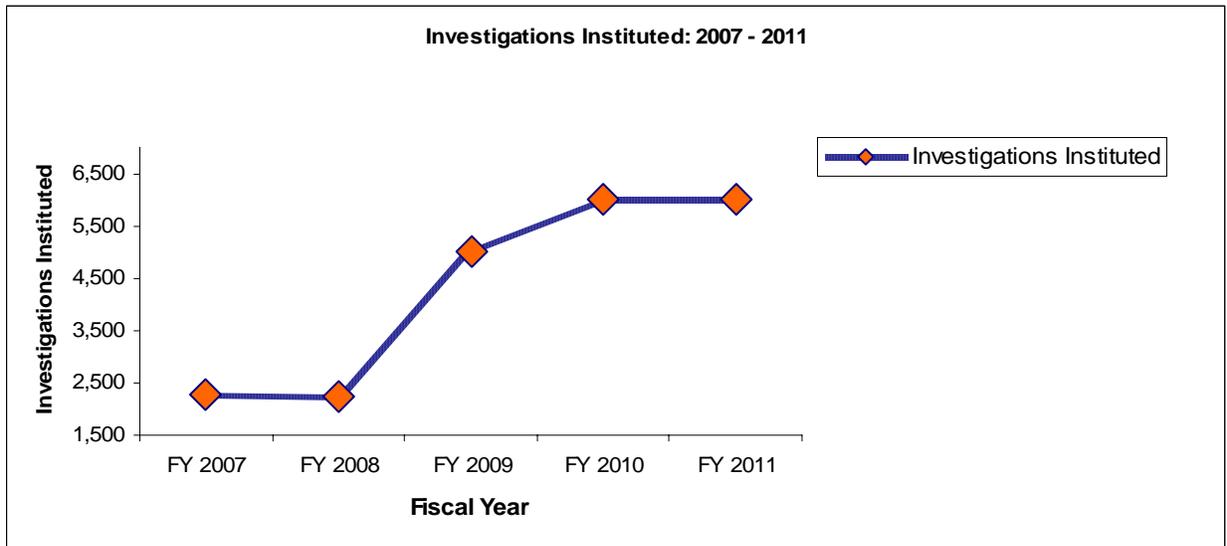
For ORM, increased workloads will be managed by the Regions under the Recovery Act continuing into FY 2011, providing justification for the requested increase in FTE. The request for FY 2011 reflects an increase from the FY 2010 Agency Request Level of 286 to the level of 334 FTE (an increase of 48 FTE, but 66 below the FY 2010 level including Recovery Act funded positions). ORM received - in Recovery Act funds - an increase of 114 FTE, or about 40%, to manage the increased Recovery Act workload in FY 2010. However, for formula grants the workload was almost double what it was in FY 2008; for the discretionary grants, the workload will triple from FY 2008 to FY 2010 and will remain high through FY 2011. Federal staff will be needed to ensure that these funds are spent wisely and desired outcomes are achieved. Also, it should be noted that nearly all formula and discretionary grants are authorized for a three-year period, with the exception of UI and Trade. The Regions manage all grants until close out, which means that these numbers should be tripled to get a closer approximation of total grant management responsibility. Additional Recovery Act work for the ORM include: reviews of new monthly performance reporting for formula grants in addition to the regular quarterly performance reports; and reviews of the OMB required recipient/sub recipient reports which will add new reviews of nearly 6,000 reports by the Regions on a quarterly basis through FY 2011.



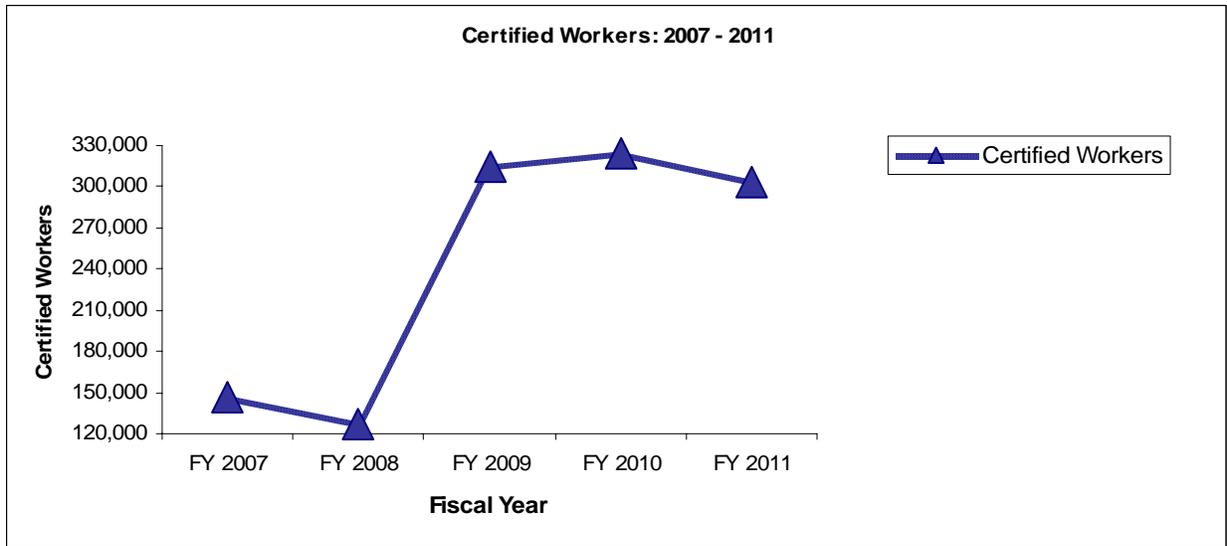
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As a result of the reauthorization of the Trade Adjustment Assistance (TAA) program, the Department has seen a significant increase in the number of petitions and in the complexity of investigations. The expansion of program coverage to workers and firms in the service sector and increased pool of potentially eligible workers has contributed significantly to OTAA's workload. The Department projects to receive a monthly average of 500 petitions, an increase of 310 over the previous average of 190 petitions per month. This workload level is expected to continue through FY2011, supporting the request for an additional 16 FTE. Previously, the Department depended heavily upon contract support to perform the petition investigation and processing functions. The Department has converted 14 contractor positions to FTE in FY2010 to improve the continuity and accountability for these functions.



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The Office of Financial and Administrative Management (OFAM) provides financial and administrative support to the entire Agency. Through its various components, OFAM performs financial management, budget formulation and execution, accounting, grants and contract management and oversight, and supports and maintains administrative and management support and human resource functions of the Agency. OFAM is responsible for the solicitation and award of all ETA grants and contracts for activity under the Recovery Act. OFAM has experienced a 20 percent increase in workload (496 new Recovery Act-related grants) based on the enactment of the Recovery Act. This upswing in activity has necessitated the requested increase of three FTE in FY 2011. Presently, increased workload is centered on both Recovery Act related grant procurements and grant modifications. The aforementioned spike in grant activity will result in a corresponding increase in audit resolutions and grant closeouts, which will commence in FY 2011 and continue through FY 2013. Audit submissions for Recovery Act funding will start in late FY 2010 with the bulk of the funding reflected in audits that will be submitted in FY 2011 through FY 2013. The scope of the Single Audits will be expanded due to substantial increase in funding levels for formula programs and an anticipated 600 to 700 additional discretionary grantees submitting audits. The increase in both numbers and complexity of the audit resolution activities will substantially increase workload. Closeout activity of the Recovery Act funding will begin late FY 2011 and continue through FY 2014.

The Office of Policy Development and Research (OPDR) is responsible for program research, evaluation, pilot projects and demonstrations, as well as program management and legislative relations for ETA. Two of the additional FTEs will continue monitoring the Recovery Act related evaluations of Green Jobs and Health Care/High Growth Initiatives. The Recovery Act evaluation implementation period will continue well beyond September 30, 2010. Additionally, monitoring of other evaluations will continue, such as CSEOA, YouthBuild, the Young Parents Demonstration, and Community-Based Job Training Grants, some of which received additional Recovery Act funding. Also, the FTEs will begin developing, designing and implementing the four rigorous evaluations approved by the Office of Management and Budget under its new Evaluation Initiative to begin in FY 2011. These evaluations focus on the impact of counseling in workforce programs, evaluating small programs using administrative data, demonstrating and

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evaluating a new performance measures system and assessing the effects of providing wage insurance to older dislocated workers.

The Office of Apprenticeship (OA) administers the National Apprenticeship Act of 1937 (also known as the Fitzgerald Act), which created a comprehensive system of partnerships among business, labor, education, and government which have shaped skill training through registered apprenticeship for succeeding generations of American workers. This program increase will support five additional FTE to address core functions of registering apprenticeship programs and apprentices; collecting, analyzing and reporting information; and providing high levels of technical assistance and customer service to potential and existing program sponsors. In addition, it will provide contractual support for initiatives in green jobs, pre-apprenticeship, and updating the regulatory framework for apprenticeship.

The Unemployment Insurance (UI) program, authorized by Title III of the Social Security Act, provides temporary, partial wage replacement to unemployed workers who are between jobs and helps to stabilize local economies where layoffs have occurred as well as the national economy. The 2011 Budget proposes a joint Department of Labor (DOL) and Department of Treasury initiative to strengthen and coordinate Federal and State efforts to enforce statutory prohibitions and identify, and deter employee misclassification as independent contractors. Individuals wrongly classified as independent contractors are denied access to critical benefits and protections -- such as family and medical leave, overtime, civil rights laws, and unemployment insurance -- to which they may be entitled as regular employees. Worker misclassification also generates substantial losses to the Treasury and the Social Security, Medicare and Unemployment Insurance Trust Funds. In its last comprehensive estimate of the scope of the misclassification problem for tax year 1984, the Internal Revenue Service estimated that 15 percent of all employers misclassified a total of 3.4 million employees as independent contractors, resulting in an estimated annual revenue loss of \$1.6 billion (in 1984 dollars).¹ An August 2009 Government Accountability Office (GAO) report noted that the precise extent of misclassification is unknown, but studies suggest that it may affect 10 to 30 percent of firms. The misclassification initiative proposes new strategies to break down traditional silos and promote collaboration, information sharing, and coordinated enforcement strategies among DOL, the States, and the Internal Revenue Service (IRS). This investment would strengthen worker protections, improve tax compliance and increase revenues, produce greater consistency in classifying workers, and promote greater equity and understanding among workers. The misclassification initiative would support new, targeted ETA efforts to recoup unpaid payroll taxes due to misclassification and promote the innovative work of States on this problem. Two new FTE would be charged with:

- Reforming ETA's internal tax functions to specifically address the problem of misclassification.
- Developing a State audit program that targets industries that are most likely to misclassify their workers (the current policy requires a random 2% audit of all employers).
- Ensuring that all States are able to fully share the 1099s and other available information with IRS to more accurately detect misclassification.

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- Conducting training for State UI tax collectors and State legal units on the model strategies and technologies adopted by those States that have successfully pursued misclassification.

ADULT SERVICES

BUDGET AUTHORITY BEFORE THE COMMITTEE					
(Dollars in Thousands)					
	FY 2009 Enacted	Recovery Act	FY 2010 Enacted	FY 2011 Request	Diff. FY 11 Req. / FY 10 Enacted
Activity Appropriation	51,061	40,315	55,412	61,789	6,377
FTE	242	156	266	308	42

NOTE: FY 2009 reflects actual FTE. Authorized FTE for FY 2009 was 259.

Introduction

The budget request provides for the Federal administration of Adult Services, which includes: Workforce Investment Act (WIA) Adult and Dislocated Worker employment and training activities, WIA national activities, the Indian and Native American program, the Migrant and Seasonal Farmworker program, the Community Service Employment for Older Americans program, expanded Trade Adjustment Assistance program, and indirect staff support.

Staff members for several workforce programs that provide grants to states and non-profit organizations perform similar functions: negotiating and administering grants, preparing program guidance, monitoring program implementation, overseeing the reporting system, tracking grantee performance, providing technical assistance to grantees, and managing distribution of program resources. The grant programs managed by Adult Services staff are:

- WIA Adult Employment and Training activities, which provides core services, intensive services, and training and supportive services for individuals seeking employment. In addition to grant management, staff also develops and operates web tools that provide workforce information to job seekers, workers, and employers.
- WIA Dislocated Worker Employment and Training activities, which provides core services, intensive services, training and supportive services for workers who lose their jobs in mass layoffs or plant closings, and others who have been laid off and are unlikely to return to their jobs.
- Indian and Native American program, which works to provide quality employment and training services to Native American communities in ways that are consistent with the traditional cultural values and beliefs of the people in these communities.
- Migrant and Seasonal Farmworker program, which provides training and employment services to economically disadvantaged persons who are primarily dependent on agricultural labor employment for their livelihood. The Federal staff assigned to this program conducts grants management and provides guidance and oversight to the integration initiatives required to serve farmworkers effectively through the One-Stop Career Center system.
- Community Service Employment for Older Americans program, a community service and work-based training program for older workers. Staff members conduct grant management, review State Senior Employment Coordination Plans, and act as resources

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on a broad range of issues impacting older workers and undertake outreach efforts to employers, such as National Employ Older Workers Week.

Trade Adjustment Assistance

Under the expanded Trade Adjustment Assistance (TAA) program, workers displaced by international trade may receive training, trade readjustment allowances, job search, relocation allowances, and employment and case management services. In addition, individuals certified under the Alternative Trade Adjustment Assistance program for older workers receive a wage subsidy. These services and benefits are funded out of the Federal Unemployment Benefits and Allowances account. The Federal staff administering TAA conducts worker group eligibility determinations and petition investigations, develops program policy and guidance, and makes grant awards. This request includes 16 FTE for TAA to convert positions currently funded by the Departmental Management funding under the Recovery Act; these positions are critical to the continued operation in support of the Trade and Globalization Adjustment Assistance Act of 2009.

Indirect Staff Support

The Adult Services activity in the program administration account provides funding for the costs of Federal staff members in the Department's Office of Financial and Administrative Management and Office of Performance and Technology who provide administrative support to the Adult programs described above. These administrative services include grants and contract management, financial management, budget oversight, information technology, and performance management. A total of eight contractor positions will be converted into FTE from the Office of Performance and Technology.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2006	51,041	281
2007	51,288	276
2008	50,392	267
2009	51,061	259
2010	55,412	266

NOTE: Excludes Recovery Act Funding. See budget activity head table.

FY 2011

The 2011 request includes \$61,789,000 for 308 FTE to administer ETA's Adult-focused programs. This is an increase of \$6,377,000 and 42 FTE from the FY 2010 Enacted level. This includes:

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- An increase of 16 FTEs and \$2,492,000 to continue the additional Trade Adjustment Activity in TAA authorized by the Trade and Globalization Adjustment Assistance Act of 2009;
- An increase of \$2,799,000 and 18 FTE to support National Office and Regional technical assistance and oversight of Adult activities related to the Recovery Act fund oversight and monitoring; a conversion of eight positions to support IT activities currently encumbered by contractor staff; and,
- Additionally, \$1,086,000 is for mandatory built-in increases.

The Recovery Act significantly increased funding for WIA, providing more than \$2.5 billion to programs in the Adult Services area. This request would provide \$2,799,000 and 18 FTE to continue essential functions related to the Recovery Act Adult activities that will continue into FY 2011. Many grants funded through the Recovery Act will not be awarded until FY 2010, and the activities funded through those grants will not start until later in FY 2010, and will continue into FY 2011. Important activities such as the oversight and monitoring of how Recovery Act funds are being expended will continue into FY2011. In addition, the requested funds will provide for staff to conduct closeout activities for all Recovery Act grants and contracts and for program evaluation, as well as continue the administration of additional activities under the Trade and Globalization Adjustment Act of 2009.

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

FY 2010

The 2010 appropriation provided \$55,412,000 for 266 FTE to administer ETA's Adult-focused programs. This is an increase of \$4,351,000 and seven FTE from the FY 2009 enacted level. The Adult Services activities included funding for the Federal staff responsible for the activities described above in the introduction.

FY 2009

The FY 2009 appropriation provided for 259 direct FTE staff and \$51,061,000. The appropriation was financed by both General Revenue and Trust Funds for FY 2009.

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Recovery Act Update

ETA will allocate \$40,315,000 in Recovery Act funds to support Adult activities in FY 2010. This funding level will support 156 FTE and \$4,509,312 of technology improvements. Recovery Act activities have placed added stress on program administration system and processes. Therefore, investments in program automation and information technology enhancements are planned, which will have significant positive impacts on ETA's effective and efficient management of Recovery Act activities.

Recovery Act funds will allow the Adult program to:

- Provide monitoring of and on-site technical assistance to Adult Recovery Act grantees. Regional offices anticipate incorporating the grant management of at least 500 additional discretionary grantees during FY 2010. The Regional offices will also incorporate responsibility for the reporting requirements of these additional grants and will ensure timely, accurate and transparent reporting.
- Update the Waiver Management Information System. ETA's current online database to track waiver usage no longer matches ETA's process to review and approve waivers. To ensure transparency in ETA's usage of the WIA waiver authority to support Recovery Act activities, the database will be updated to provide status reports on waivers requested, waivers approved and types of waivers.
- Update to Grant Electronic Management System (GEMS). ETA will enhance the functionality of GEMS to better allow regional and national office staff to provide meaningful updates on grant activities and contacts with grantees. With the volume of Recovery Act awards, improving the accessibility and usability of the site will streamline the time it currently takes to exchange and track information on specific grants.

The following adult Recovery Act program activities will undergo evaluation beginning in FY2010:

- **Waivers:** ETA will conduct an impartial third-party evaluation of the impact of WIA waivers on the employment performance outcomes of local workforce areas and states.
- **Recovery Act Competitive Grants: Green Jobs, Health Care and Other Growth Industries.** In FY 2010, ETA will begin the evaluation of the Recovery Act grants focused on providing training in green jobs, health care careers and other growth industries. Specifically, evaluations will focus on grants awarded under the following solicitations: State Energy Sector Partnerships, Energy Training Partnerships, Pathways Out of Poverty, and Health Care Sector and Other High Growth and Emerging Industries. The evaluations will include an intensive process study of grantee operations that will include an analysis of baseline project data and an impact analysis that will use quasi-experimental and/or experimental methods.

To oversee the implementation of the additional funding to the Community Service Employment for Older Americans (CSEOA) Program provided by the Recovery Act, the Department will conduct 10 site visits to grantees assessed at high risk of not fully utilizing Recovery Act funds to recruit and train CSEOA program participants or to appropriately transitioning participants when Recovery Act funding expires. The ETA national office staff will work in close

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collaboration with Regional staff to provide technical assistance to the most at-risk grantees, based on comprehensive assessment of specific barriers encountered by the grantees in spending Recovery Act funds, including participant and/or host agency recruitment, concurrent management of Recovery Act and regular program funding, and transition strategies for Recovery Act participants at the end of Recovery Act funding availability.

In addition, ETA received funding from the Departmental Management (DM) account for activities related to the TAA program. In response to the changes to the TAA program implemented by the Recovery Act, the program experienced a sharp surge in petitions for a determination of eligibility. Between May 18 and September 30, 2009, the TAA program office received 2,625 petitions- a higher number than were received in the entire previous fiscal year. In order to address the increased number of petitions and significant program changes that had to be implemented, the TAA program received authority in FY 2009 to hire 25 DM funded staff. Hiring and training of new staff began in late June 2009 and continued through the end of the fiscal year. The DM funded staff contributed to the office by contacting 2,625 companies, surveying 1,035 of their customers, issuing 1,083 determinations between May 18 and September 30, 2009, and responding to an unprecedented number of calls and letters regarding the status of petitions in progress.

The effect of the surge in petitions received was larger than anticipated and resulted in the carry-in of a backlog of 1,633 petitions resulting from the changes implemented by the Recovery Act. In addition, the level of incoming petitions continues to be at a significantly higher level than prior to the Recovery Act, with an additional 3,380 petitions expected to be filed in FY 2010 - if they continue at the current level. A high volume of petition inquiries also continue to be received. The TAA program office will receive DM funding for 19 FTE in FY 2010 to augment the 12 investigators on the permanent staff performing initial investigations. The DM funded staff will perform investigation support functions including petition screening and verification of information with petitioners; interviewing company officials; conducting research and data collection, economic analysis, and follow-up contacts on outstanding data requests; preparing documents including subpoenas and final determination documents; responding to status inquiries from petitioners; and, providing notifications to petitioners. In addition, DM funded staff will provide support for the process of documenting internal procedures as required by the Recovery Act and drafting a Notice of Proposed Rulemaking (NPRM) reflecting the program changes required by the Recovery Act. The regional offices will receive nine DM funded positions for monitoring state implementation of the TAA program as amended by the Recovery Act.

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BUDGET ACTIVITY by OBJECT CLASS						
(Dollars in Thousands)						
		FY 2009 Enacted	Recovery Act	FY 2010 Enacted	FY 2011 Request	FY 11 Req. / FY 10 Enacted
11.1	Full-time permanent	25,748	4,204	26,976	31,015	4,039
11.3	Other than full-time permanent	429	17,415	441	441	0
11.5	Other personnel compensation	1,164	522	1,124	1,214	90
11.9	Total personnel compensation	27,341	22,141	28,541	32,670	4,129
12.1	Civilian personnel benefits	7,313	5,297	7,829	9,015	1,186
13.0	Benefits for former personnel	13	0	0	0	0
21.0	Travel and transportation of persons	582	1,789	662	798	136
22.0	Transportation of things	3	0	40	40	0
23.1	Rental payments to GSA	3,114	0	2,764	3,756	992
23.3	Communications, utilities, and miscellaneous charges	444	0	620	654	34
24.0	Printing and reproduction	81	0	399	399	0
25.1	Advisory and assistance services	2,153	4,621	403	403	0
25.2	Other services	162	0	941	941	0
25.3	Other purchases of goods and services from Government accounts 1/	7,084	0	7,226	7,635	409
25.4	Operation and maintenance of facilities	7	0	30	30	0
25.7	Operation and maintenance of equipment	2,237	5,808	4,184	3,539	-645
26.0	Supplies and materials	243	0	265	299	34
31.0	Equipment	266	659	1,490	1,592	102
42.0	Insurance claims and indemnities	18	0	18	18	0
	Total	51,061	40,315	55,412	61,789	6,377
1/Other Purchases of Goods and Services From Government Accounts						
	Working Capital Fund	7,084	0	6,531	6,922	391
	DHS Services	0	0	695	713	18

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CHANGES IN FY 2011

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$343
Personnel benefits	108
Federal Employees Compensation Act (FECA)	70
Rental payments to GSA	684
Working Capital Fund	-119
Built-Ins Subtotal	1,086

Net Program	5,291
Direct FTE	34

	Estimate	FTE
Base	56,498	266
Program Increase	5,291	34

YOUTH SERVICES

BUDGET AUTHORITY BEFORE THE COMMITTEE					
(Dollars in Thousands)					
	FY 2009 Enacted	Recovery Act	FY 2010 Enacted	FY 2011 Request	Diff. FY 11 Req. / FY 10 Enacted
Activity Appropriation	10,932	6,099	12,308	14,803	2,495
FTE	62	29	67	81	14

NOTE: FY 2009 reflects actual FTE. Authorized FTE for FY 2009 was 62.

Introduction

The budget request provides for the Federal administration of Youth Services, including Workforce Investment Act (WIA) Youth employment and training activities and YouthBuild.

WIA Youth Activities

The WIA Youth program provides grants to states and local areas to operate an array of services to assist economically disadvantaged youth, out-of-school youth, and youth aging out of foster care in achieving academic and work skills. This budget activity in the program administration account finances staff for the Division of Youth Services. The Federal staff assigned to this division administers and negotiates grants, prepares program guidance, monitors program implementation, oversees the reporting system, tracks grantee performance, provides technical assistance to grantees, and oversees distribution of program resources. In addition, staff are in the regional offices to support Youth activities and monitor the Youth programs.

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

Indirect Staff Support

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

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Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2006	38,417	253
2007	10,776	61
2008	10,789	64
2009	10,932	62
2010	12,308	67

NOTE: Excludes Recovery Act Funding. See budget activity head table.

FY 2011

The 2011 request includes \$14,803,000 for 81 FTE to administer ETA's Youth-focused programs. This is an increase of \$2,495,000 and 14 FTE from the FY 2010 enacted level. This includes:

- An increase of \$2,140,000 and 14 FTE to support National Office and Regional technical assistance and oversight/monitoring of Youth activities funded by the Recovery Act fund oversight and monitoring; and,
- Additionally, \$355,000 is for mandatory built-in increases.

The Recovery Act significantly increased funding for WIA, providing more than \$1.2 billion for Youth activities. This request would provide \$2,140,000 and 14 FTE to continue essential functions related to the Recovery Act Youth activities that will continue into FY 2011. The Youth Build grants and funds for summer and year-round WIA Youth activities in the Recovery Act are available for two years, and the activities funded through those grants will require a great deal of technical assistance as many are new grantees. Important activities such as the oversight and monitoring of how Recovery Act funds are being expended will continue into FY 2011. In addition, the requested funds will provide for staff to conduct closeout activities for all Recovery Act grants and contracts, and for program evaluation.

FY 2010

The FY 2010 appropriation provided \$12,308,000, which will support 67 FTE staff. This represents an increase of \$1,376,000 and five FTE from the FY 2009 enacted level. The appropriation is financed by General Revenue funds. In FY 2010, the Youth Services activities include funding for the Federal staff responsible for the activities described above in the introduction.

FY 2009

The FY 2009 appropriation of \$10,932,000 supported 62 direct FTE staff. The appropriation was financed by General Revenue funds. In FY 2009 the Youth Services activities included funding for the Federal staff responsible for the activities described above in the introduction.

YOUTH SERVICES

Recovery Act Update

The successful implementation of Recovery Act programs will be enhanced through additional work with the grantee community. While desk monitoring is done on a quarterly basis, additional visits will provide ETA an opportunity to delve deeper into grantee challenges, develop and implement solutions, and help ETA understand how policy translates into service delivery on the ground - thus strengthening future policy making.

The Office of Regional Management, in concert with each Regional Office, intends to continue to monitor grantees and provide technical assistance throughout FY 2010, focusing even more heavily on the provision of technical assistance to the workforce system.

Regional offices will be incorporating the grant management of additional discretionary grantees during this period, which includes post-award, period-of-performance and on-site monitoring of the grantees, providing them with technical assistance, and collaborating with program offices on audits. The Regional Offices will also incorporate responsibility for the reporting requirements of these additional grantees under Section 1512 of the Recovery Act, and will ensure timely, accurate and transparent reporting of all activities.

Evaluation:

Significant Recovery Act activities in support of the Out of School Youth (OSY) population will be undertaken between November 2009 and March 2010, with many OSY then transitioning into more comprehensive educational and training services. An implementation study of these activities at the local level will help ETA better understand the strategies implemented by local areas for transitioning OSY into comprehensive services, including the provision of extensive supportive services, co-enrollment into the WIA adult program and connections to post-secondary education coupled with remediation and credentialing at the secondary school level.

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BUDGET ACTIVITY by OBJECT CLASS						
(Dollars in Thousands)						
		FY 2009 Enacted	Recovery Act	FY 2010 Enacted	FY 2011 Request	FY 11 Req. / FY 10 Enacted
11.1	Full-time permanent	5,510	377	6,504	7,812	1,308
11.3	Other than full-time permanent	92	2,984	96	96	0
11.5	Other personnel compensation	249	135	195	232	37
11.9	Total personnel compensation	5,851	3,496	6,795	8,140	1,345
12.1	Civilian personnel benefits	1,566	848	1,747	2,127	380
13.0	Benefits for former personnel	3	0	0	0	0
21.0	Travel and transportation of persons	125	364	126	182	56
22.0	Transportation of things	1	0	1	1	0
23.1	Rental payments to GSA	774	0	727	1,134	407
23.3	Communications, utilities, and miscellaneous charges	95	0	25	39	14
24.0	Printing and reproduction	17	0	17	17	0
25.1	Advisory and assistance services	461	393	186	186	0
25.2	Other services	35	0	35	35	0
25.3	Other purchases of goods and services from Government accounts 1/	1,410	0	1,472	1,658	186
25.4	Operation and maintenance of facilities	2	0	2	2	0
25.7	Operation and maintenance of equipment	479	869	728	779	51
26.0	Supplies and materials	52	0	67	81	14
31.0	Equipment	57	129	376	418	42
42.0	Insurance claims and indemnities	4	0	4	4	0
	Total	10,932	6,099	12,308	14,803	2,495
1/Other Purchases of Goods and Services From Government Accounts						
	Working Capital Fund	1,410	0	1,437	1,615	178
	DHS Services	0	0	35	43	8

YOUTH SERVICES

CHANGES IN FY 2011

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$76
Personnel benefits	25
Federal Employees Compensation Act (FECA)	19
Rental payments to GSA	267
Working Capital Fund	-32
Built-Ins Subtotal	355

Net Program	2,140
Direct FTE	14

	Estimate	FTE
Base	12,663	67
Program Increase	2,140	14

WORKFORCE SECURITY

BUDGET AUTHORITY BEFORE THE COMMITTEE					
(Dollars in Thousands)					
	FY 2009 Enacted	Recovery Act	FY 2010 Enacted	FY 2011 Request	Diff. FY 11 Req. / FY 10 Enacted
Activity Appropriation	38,945	13,253	42,986	47,251	4,265
FTE	214	41	239	262	23

NOTE: FY 2009 reflects actual FTE. Authorized FTE for FY 2009 was 271.

Introduction

The budget request provides for the Federal administration of Workforce Security programs.

Unemployment Insurance

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

Employment Service Grants to States

Employment Service (ES) Federal staff provides leadership, policy guidance and direction, technical assistance, training, and oversight for the operation of the national public ES system through state offices and local One-Stop Career Centers. These major responsibilities involve the Federal administration of Wagner-Peyser Act activities and other legislated mandates. Regional Offices provide oversight and technical assistance at the state and local levels.

Employment Service National Activities: TAT/SWA and WOTC

This budget request includes administrative funding for Technical Assistance and Training activities and the Federal contribution to State Workforce Agency Retirement Systems. This budget request also includes funding for overseeing and implementing the Work Opportunity Tax Credit Program. Federal staff provides both states and employers with policy guidance and training on the Work Opportunity Tax Credit Program.

Workforce Information/National Electronic Tools/System Building

Program Administration funding for the Workforce Information/National Electronic Tools/System Building budget activity supports the operation and management of information and tools for the workforce investment system, including America's Career Information Network, Career Voyages, and O*NET. Specific activities include developing policy guidance, issuing grants and grants management which includes monitoring, technical assistance, identification of model approaches, performance management, and corrective action.

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Indirect Staff Support

The Workforce Security activity in the program administration account also provides funding for the costs of staff in the Department's Office of Financial and Administrative Management and Office of Performance and Technology to provide administrative services that benefit Workforce Security programs. These services include grants and contract management, financial management, budget oversight, information technology, and performance management.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2006	78,091	419
2007	78,467	412
2008	81,898	387
2009	38,945	271
2010	42,986	239

NOTE: Excludes Recovery Act Funding. See budget activity head table.

FY 2011

The FY 2011 Budget request of \$47,251,000 will support 262 FTE. This represents an increase of \$4,265,000 and 23 FTE from the FY 2010 enacted level. This increase provides:

- An increase of \$3,293,000 and 21 FTE to continue technical assistance and oversight of Unemployment Insurance and Employment Service Recovery Act activities beyond September 30, 2010;
- An increase of \$300,000 and two FTE to implement the Misclassification initiative in Unemployment Insurance; and
- Additionally, \$672,000 is for mandatory built-in increases.

The Recovery Act significantly increased the size and scope of Workforce Security programs. Many grants funded through the Recovery Act will not be awarded until FY 2010, and the activities funded through those grants will not start until later in FY 2010, and will continue into FY 2011. Important activities such as the oversight and monitoring of how Recovery Act funds are being expended will continue into FY 2011.

The Department is proposing a multi-agency initiative to strengthen and coordinate Federal and State efforts to enforce statutory prohibitions, identify, and deter employee misclassification as independent contractors. The Misclassification Initiative proposes new strategies to break down traditional silos and promote collaboration, information sharing, and coordinated enforcement strategies among DOL, the States, and the Internal Revenue Service (IRS). This investment would strengthen worker protections, improve tax compliance and increase revenues, produce greater consistency in classifying workers, and promote greater equity and understanding among workers. The Misclassification Initiative would support new, targeted ETA efforts to recoup

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unpaid payroll taxes due to misclassification and promote the innovative work of States on this problem. Funding in the amount of \$300,000 is provided for two FTE and related infrastructure, including extensive travel, to implement this initiative.

FY 2010

The FY 2010 appropriation of \$42,986,000 will support 239 FTE staff. This represents an increase of \$4,041,000 and 25 FTE from the FY 2009 actual level. The appropriation request is financed by both General Revenue and Trust Funds. In FY 2010, the Workforce Security activities include funding for the Federal staff responsible for the activities described above. H1-B fees and the Federal Administrative cost for the Foreign Labor Certification program were transferred to the SUIESO account in FY 2009.

FY 2009

The FY 2009 appropriation of \$38,945,000 supported 214 direct FTE staff. The appropriation request is financed by both General Revenue and Trust Funds. In FY 2009, Foreign Labor Certification was moved to the SUIESO account.

Recovery Act Update

Site Visits of formula programs to obtain best practices (RES/ES/WIA): To better provide policy support and technical assistance, National Office program staff will, in collaboration with the Regional Offices, visit 12 sites implementing innovative service delivery models under the Recovery Act. The purpose of the visits will be to assess how current policies enabled the area to develop and implement the program or service delivery model, how the model works, whether additional guidance is needed, and identify strategies that could be developed and replicated in other areas.

Work Opportunity Tax Credit (WOTC) Administration: With the addition of the two new Recovery Act target groups, along with recent legislative changes to the program in 2007 and 2008, steady or declining budgets, and outdated, paper-based state processing systems, states have had a difficult time keeping up with the increased demand for processing applications. In an effort to overcome these challenges and chart a new course for WOTC, ETA will conduct an intensive strategic management analysis to identify the administrative tools, process improvements, and IT investments (i.e., automated filing and reporting structures) that could support states in their efforts to reduce backlogs. The Department believes that efficiencies can be gained by developing new management tools, investing in automated filing and reporting systems, and compiling and disseminating best practices.

In addition, ETA received funding from the Departmental Management (DM) account for collecting data and preparing reports, monitoring and overseeing Recovery Act activities related to the UI program, and promoting the Unemployment Insurance Modernization Act. Reports containing Recovery Act related information are submitted monthly by all 53 states and territories that contain in excess of 100 data elements each. The new Recovery Act programs

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have resulted in an increase in reporting errors that requires investigation and additional technical assistance to the states. To address these concerns, reporting instruments are being reviewed and will be updated along with related reporting instructions. The result of these efforts is expected to be more accurate reporting of state unemployment trust fund transactions with accounts maintained by the Bureau of Public Debt for the Unemployment Insurance Program. In addition, ETA will be able to provide timely responses to questions about Recovery Act activities related to the UI program.

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

The Office of Inspector General (OIG) conducted a review of selected states' on their implementation of the FAC program implementation and reported that states are having difficulty establishing overpayments for the FAC program. ETA believes the OIG findings are indicative of similar problems that may exist with the EUC and EB programs, and that more comprehensive reviews of Benefit Payment Control (BPC) activities are needed. Onsite reviews will be conducted of 6-10 high risk states' effort to manage improper payments, collections and reporting, and technical assistance will be provided, as required. A review report outlining states' efforts and corrective actions (if any) needs to be prepared and shared with the states.

Finally, ETA provided technical assistance to 31 states that submitted applications for UI Modernization Act incentive funds, assessed those applications under the requirements of the law and awarded \$2.845 billion of the \$7.0 billion of funds Congress appropriated. Additional technical assistance will be provided to the states in modifying their laws to expand the provision of UI benefits to unemployed workers that qualify for their full share of incentive funds. This will require ETA staff to contact the state Administrators and legislative staff to explain the requirements of the law, model the impact on state trust funds, review proposed legislation etc. to further promote the UI Modernization law and encourage more states to participate.

WORKFORCE SECURITY

BUDGET ACTIVITY by OBJECT CLASS						
(Dollars in Thousands)						
		FY 2009 Enacted	Recovery Act	FY 2010 Enacted	FY 2011 Request	FY 11 Req. / FY 10 Enacted
11.1	Full-time permanent	19,637	2,828	23,761	26,140	2,379
11.3	Other than full-time permanent	327	3,970	59	59	0
11.5	Other personnel compensation	888	63	742	804	62
11.9	Total personnel compensation	20,852	6,861	24,562	27,003	2,441
12.1	Civilian personnel benefits	5,577	1,626	6,278	6,929	651
13.0	Benefits for former personnel	10	0	0	0	0
21.0	Travel and transportation of persons	444	671	447	545	98
22.0	Transportation of things	2	0	2	2	0
23.1	Rental payments to GSA	2,256	0	3,009	3,601	592
23.3	Communications, utilities, and miscellaneous charges	339	0	210	231	21
24.0	Printing and reproduction	62	0	62	62	0
25.1	Advisory and assistance services	1,643	3,546	514	514	0
25.2	Other services	124	0	125	125	0
25.3	Other purchases of goods and services from Government accounts 1/	5,522	0	3,375	3,594	219
25.4	Operation and maintenance of facilities	6	0	6	6	0
25.7	Operation and maintenance of equipment	1,707	399	2,802	2,961	159
26.0	Supplies and materials	185	0	239	260	21
31.0	Equipment	203	150	1,340	1,403	63
42.0	Insurance claims and indemnities	13	0	15	15	0
	Total	38,945	13,253	42,986	47,251	4,265
	1/Other Purchases of Goods and Services From Government Accounts					
	Working Capital Fund	5,522	0	3,194	3,400	206
	DHS Services	0	0	181	194	13

WORKFORCE SECURITY

CHANGES IN FY 2011

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$311
Personnel benefits	82
Federal Employees Compensation Act (FECA)	6
Rental payments to GSA	382
Working Capital Fund	-109
Built-Ins Subtotal	672

Net Program	3,593
Direct FTE	23

	Estimate	FTE
Base	43,658	239
Program Increase	3,593	23

APPRENTICESHIP

BUDGET AUTHORITY BEFORE THE COMMITTEE					
(Dollars in Thousands)					
	FY 2009 Enacted	Recovery Act	FY 2010 Enacted	FY 2011 Request	Diff. FY 11 Req. / FY 10 Enacted
Activity Appropriation	21,447	0	27,784	28,965	1,181
FTE	127	0	155	160	5

NOTE: FY 2009 reflects actual FTE. Authorized FTE for FY 2009 was 127.

Introduction

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

OA provides leadership for and oversees the National Apprenticeship System (NAS). In cooperation with the State Apprenticeship Agencies (SAAs) recognized by the Secretary of Labor, OA administers apprenticeship at the state and local levels by:

- Registering apprenticeship programs that meet Federal standards,
- Issuing apprentices nationally recognized and portable certificates of completion,
- Promoting the development and recognition of new programs and occupations,
- Assuring that all programs provide high quality learning,
- Assuring that all programs produce skilled and competent workers,
- Promoting partnerships of registered apprenticeship with other federal programs and agencies including the workforce investment and education systems, and
- Providing equal opportunity for individuals – including women and minorities – to participate in registered apprenticeship programs.

Through this unique and effective public-private partnership, the Registered Apprenticeship system contributes to the Department’s success in achieving the Secretary’s vision of *Good Jobs for Everyone* (see chart below for how Apprenticeship contributes to the Department’s outcome goals). OA supports ETA’s program goal to “Provide a critical pathway to good jobs and meet the skilled training needs of workers and businesses through the Registered Apprenticeship system.” Today, almost 30,000 program sponsors representing 225,000 distinct employers offer registered apprenticeship to more than 500,000 apprentices.

APPRENTICESHIP

Secretary Solis' Vision of Good Jobs for Everyone	
DOL Select Outcome Goals	Related OA Activities and Initiatives
Increasing workers' incomes and narrowing wage and income inequality.	Registered Apprenticeship provides regular wage increases as skills and productivity increases, and raises the skill levels and wages for occupations that utilize Apprenticeship. Average annual wages are approximately \$50,000 for completers of Registered Apprenticeship.
Assuring skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like "green" jobs.	Proposed New Century Apprenticeship Expansion Initiative; Continued expansion into high growth and emerging industries including those utilizing "green jobs," and the Green Jobs Innovation Fund.
Breaking down barriers to fair and diverse work places so that every worker's contribution is respected.	Responsibility and oversight for equal employment opportunity (EEO) provisions that relate to Registered Apprenticeship and for Women in Non-Traditional Occupations (WANTO) grantees.
Helping workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	Pre-Apprenticeship and apprenticeship preparation initiatives.
Helping middle-class families remain in the middle class.	Evaluations to validate state-based evidence that completers of Registered Apprenticeship earn almost a quarter of a million dollars more in lifetime earnings than comparable job seekers.

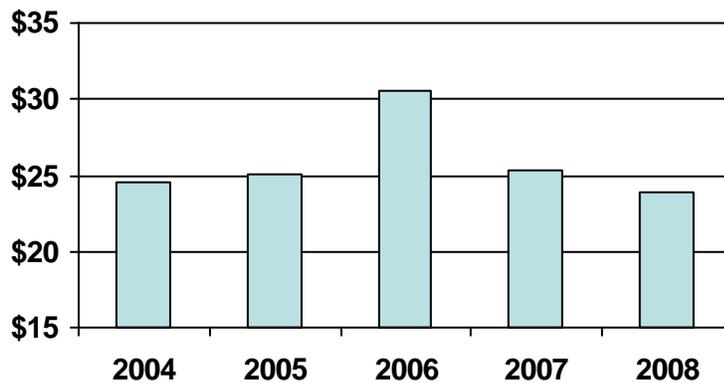
Apprenticeship programs are registered with ETA or federally-recognized SAAs. Through apprenticeship agreements, sponsors and apprentices agree to the requirements of the registered program. Apprenticeship programs are sponsored and operated on a voluntary basis by individual employers, employer associations, or jointly through labor/management agreements. All registered apprenticeship programs develop a set of structured standards that include requirements for related instruction and on-the-job learning with appropriate supervision. At the successful completion of on-the-job and instructional learning, apprentices receive a portable and nationally-recognized certificate of completion from ETA or an SAA.

A fundamental feature and distinction of registered apprenticeship programs are their provision of guaranteed wage increases that lead to a competitive salary and sustainable career. Upon

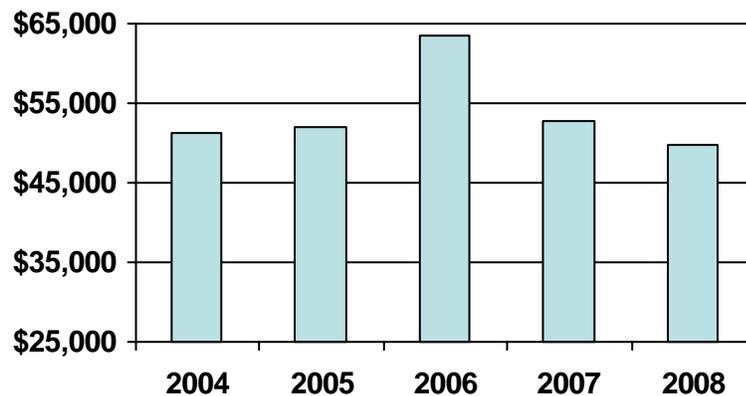
APPRENTICESHIP

completion of an apprenticeship, workers earn hourly wages and yearly salaries that can help them find a path into the middle class, and then keep their families in the middle class. As demonstrated by the graphs below, apprenticeship completers' average hourly wages are over \$20, and the apprenticeship completers' yearly salary has averaged approximately \$50,000 from 2004 to 2008. According to a recent study in Washington State, completers of registered apprenticeship earn a quarter million dollars more over the course of their lifetime than comparable workers (see <http://www.wtb.wa.gov/Documents/wtr2008summary.pdf>).

Average Hourly Wage of Completers by Fiscal Year



Average Yearly Salary Wage of Completers by Fiscal Year



Another critical element of registered apprenticeship is the intensive on-the-job learning combined with related theoretical instruction, which directly translates into apprentices gaining the skills and knowledge necessary to succeed in today's knowledge-based economy. Building upon registered apprenticeship successes in traditional industries such as manufacturing and construction, OA – in partnership with employers, industry associations, and labor management organizations – has expanded into several high-growth and emerging sectors, including biotechnology, energy, health care, information technology, transportation, and “green” jobs. As demonstrated by the table below, the numbers of programs in these selected industries continues to grow.

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

Another historical role for OA is to ensure the provision of equal opportunity for individuals – including women and minorities – to participate in registered apprenticeship programs. Today, while women remain significantly under-represented, over 30 percent of apprentices are now from minority groups. Through strong enforcement of Federal regulations for equal employment opportunity in apprenticeship and training, OA contributes to the Agency’s goal of breaking down barriers to fair and diverse work places, so that every worker’s contribution is respected.

In the past five years, ETA has also tracked registered apprenticeship’s performance through indicators of retention and average wage gains for *apprentices employed nine months after first registering with the apprenticeship program*. The retention results for FY 2006, FY 2007, and FY 2008 continue a three-year trend of improvement since the baseline was established in FY 2005, although the FY 2009 results show a decrease in retention rates. Average wage gains increased for FY 2006 and FY 2007, but declined in FY 2008 and FY 2009 during the economic downturn.

In FY 2009, OA began converting to the common measures framework and started to use definitions for *apprentice completers’* entered employment rate, employment retention, and average earnings that are consistent with those used by other employment and training programs. FY 2009 results indicate an entered employment rate of 70.2 percent, employment retention rate of 83.2 percent, and average (6-month) earnings of \$20,566. Targets for FY 2010-11 are based on regression analysis that accounts for the effects of participant characteristics, local labor market conditions, and unemployment rates on program performance.

Funding Mechanism

The funds appropriated in support of the mission and functions of ETA’s OA are administered from the Program Administration account. The Salaries & Expenses allocation supports the National Office and the six Regional Offices, along with salaries and expenses to support staff at 78 field offices. OA program responsibilities include staff promotional activities, outreach and education, and technical assistance provided to new and existing sponsors to develop, register, and maintain apprenticeship programs and apprentices. OA is also responsible for providing technical assistance to 25 State Apprenticeship Agencies.

APPRENTICESHIP

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2006	21,438	170
2007	21,542	167
2008	21,166	127
2009	21,447	127
2010	27,784	155

NOTE: Excludes Recovery Act Funding. See budget activity head table.

FY 2011

The FY 2011 budget requests a total of \$28,965,000 and 160 FTE, which represents an increase of \$1,181,000 and 5 FTE over the FY 2010 enacted level. A program increase of \$953,000 will support an additional five (5) FTE directly allocated to OA to address core functions of registering apprenticeship programs and apprentices; collecting, analyzing and reporting information; and providing high levels of technical assistance and customer service to potential and existing program sponsors. The staff increase also will provide contractual support for initiatives in green jobs, pre-apprenticeship, and updating regulatory framework for apprenticeship. In addition, there is \$228,000 to cover inflationary increases.

Green Jobs and Strategic Partnerships

Registered Apprenticeship will be a critical element in ETA's proposed Green Jobs Innovation Fund introduced in the FY 2010 budget. Designed to prepare workers for emerging green jobs and to identify career pathways that support underrepresented populations, the Green Jobs Innovation Fund will leverage the training and employment opportunities available through Registered Apprenticeship.

A significant portion of the Green Jobs Innovation Fund (GJIF) will be awarded through a competitive process designed to expand and recognize green pre-apprenticeship programs and link these programs to Registered Apprenticeship programs, community colleges, and other qualified training programs. The pre-apprenticeships will target underrepresented and disadvantaged populations.

In FY 2011, OA will continue to provide technical assistance and support to national organizations that were awarded "Advancing 21st Century Registered Apprenticeship" Grants in late FY 2009. Through these grants, OA is partnering with stakeholders to expand apprenticeship into new and emerging industries, including those with emerging green jobs and existing occupations that are enhancing green practices.

Expand and Formalize Pre-Apprenticeship

ETA is seeking to develop policy and increase partnerships and support for pre-apprenticeship programs that meet national guidelines established by industry and will ensure that individuals participating in a nationally certified pre-apprenticeship program meet all the requirements for selection into available Registered Apprenticeship openings. As appropriate, direct entry and

APPRENTICESHIP

advanced placement could be granted for participants. Participation would be targeted to populations that have not traditionally benefitted from Registered Apprenticeship or require additional assistance to qualify for available apprenticeship opportunities. Such efforts build upon recent experience with Women in Apprenticeship and Nontraditional Occupations (WANTO) grants that indicate successes in placing women into Registered Apprenticeship programs after they complete pre-apprenticeship programs that specifically address the apprenticeship sponsors' selection requirements.

Implementation of Revised Regulatory Framework

On October 28, 2008, ETA published a Final Rule revising regulations for standards for registration of apprenticeship programs. The rule took effect on December 29, 2008, and provides SAAs with up to an additional two years from the effective date to implement necessary changes. ETA will continue to provide technical assistance and direction related to this rule to the registered apprenticeship, workforce investment and education systems as they develop and implement new policies and procedures.

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

In FY 2011, ETA will update regulations for equal employment opportunity (EEO) in apprenticeship and training, which have not been revised since 1978. This second phase of regulatory updates will ensure that the National Registered Apprenticeship System is consistent and in alignment with changes in Affirmative Action regulations and EEO laws and court cases that have occurred over the past three decades. Through these regulatory updates, OA will seek to address barriers to fair and diverse work places so that all qualified women and minorities have access to training and employment through Registered Apprenticeship.

FY 2010

Economic Recovery and Strategic Partnerships

ETA will build on its recent integration efforts to include an additional focus on re-employment to support economic recovery. Over the past few years, ETA has issued policy guidance and hosted "Action Clinics" to promote further integration between the education system, the workforce system, and Registered Apprenticeship. These efforts will continue in FY 2010 and FY 2011 and will shift to focus on partnerships that can support re-employment and recovery strategies that leverage Registered Apprenticeship.

Green Jobs

OA is supporting ETA's Green Jobs Innovation Fund to prepare workers for emerging green jobs and to identify career pathways that support underrepresented populations.

APPRENTICESHIP

A significant portion of the Green Jobs Innovation Fund will be awarded through a competitive process designed to expand and recognize green pre-apprenticeship programs and link these programs to Registered Apprenticeship programs, community colleges, and other qualified training programs.

Building off of green Registered Apprenticeships funded through the Recovery Act, the pre-apprenticeships will target underrepresented and disadvantaged populations. The grants will assist in the development and use of agreements between pre-apprenticeship programs and Registered Apprenticeship program sponsors to facilitate the “transfer” of pre-apprenticeship experience and learning into “credit” towards the completion of a Registered Apprenticeship program. This process is much like articulation agreements used between Registered Apprenticeship programs and institutions of higher learning. Recognizing this transfer of experience will facilitate entry into Registered Apprenticeship programs, particularly by underrepresented and disadvantaged populations. In conjunction with these grants, ETA will “certify” the pre-apprenticeship programs that meet the Registered Apprenticeship program sponsors’ minimum requirements for participants to enter Registered Apprenticeship. Recent experience with WANTO grants has demonstrated increased success in placing women from pre-apprenticeship programs that have specific arrangements and agreements to facilitate their entry into Registered Apprenticeship programs that are specifically participating with that pre-apprenticeship program.

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

FY 2009

In FY 2009, ETA registered 1,187 new apprenticeship programs, and almost 67,000 new apprentices, and completed 708 equal employment opportunity compliance reviews and 1,629 quality reviews. Other significant activities and initiatives for FY 2009 include:

- Publication on October 28, 2008, of the final rule to revise apprenticeship regulations;
- Provision of technical assistance and support for implementation and training on the revised regulations;
- Publication of the “Advancing 21st Century Registered Apprenticeship” Solicitation for Grant Applications (SGA), which provided funding for grants to national organizations to train staff, apprenticeship instructors, and members on 21st century Registered Apprenticeship regulatory framework;
- Continued expansion into new and emerging industries and occupations, particularly in health care, green industries, and advanced manufacturing;
- Hosted a series of three Action Clinics, “Collaborate for Success: Partnering with Registered Apprenticeship,” which supported teams of state and local professionals from the workforce system, the Registered Apprenticeship system, education partners, and other key

APPRENTICESHIP

- stakeholders as they develop and implement innovative approaches to leverage Registered Apprenticeship as a key talent development strategy in their states' workforce system; and
- Completed the final year of five-year plan to conduct Equal Employment Opportunity Compliance Reviews of 90 percent of apprenticeship programs with five or more apprentices registered with ETA, and also conduct Quality Assessment Reviews of 90 percent of all apprenticeship programs registered with ETA. Since FY 2005, over 2,400 equal opportunity compliance reviews have been completed, along with 5,475 quality reviews, exceeding annual goal of 90 percent.

The FY 2009 appropriation provided for 127 direct FTE staff and \$21,447,000. The appropriation request was financed by General Revenue for FY 2009.

Recovery Act Update

Registered Apprenticeship is critical partner in the successful launch and implementation of Recovery Act projects funded through ETA's Solicitations for Grant Applications (SGA) announced in June and July 2009, particularly projects funded through the "Energy Training Partnerships" and "Pathways Out of Poverty."

OA is also working with the General Services Administration, Department of Housing and Urban Development, and the Environmental Protection Agency to leverage Recovery Act funding that can utilize Registered Apprenticeship to train and employ workers, particularly in green industries.

APPRENTICESHIP

WORKLOAD SUMMARY				
	FY 2009		FY 2010	FY 2011
	Target	Result	Target	Target
Apprenticeship				
Apprentices	306,491	350,410 (r)	367,930	381,118
Full Time Equivalent	127	127 (e)	155	160
EEO Reviews	734	708 (r)	530	557
Quality Reviews	1,324	1,639 (r)	1,060	1,113
New Programs	1,286	1,187 (r)	601	631
Quality Reviews for new programs one year after provisional registration since December 28, 2008	--	--	797	837
Cost per Apprentice	\$69.98	\$61.00 (r)	\$76.00	\$76.00

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

Projections for FY 2010 and FY 2011 for Apprentices, EEO Reviews, Quality Reviews, and New Programs also include indirect FTE allocated to OA. FY 2009 actual figures are based on FTE directly allocated to OA.

Projections for FY 2011 are based on a 5 percent increase over the FY 2010 targets for Apprentices, EEO Reviews, Quality Reviews, and New Programs.

APPRENTICESHIP

PERFORMANCE INDICATORS

The Registered Apprenticeship program contributes to the following Outcome Goals in support of the Department's Strategic Vision of <i>Good Jobs for Everyone</i>:									
1.1 Increase workers' incomes and narrowing wage and income inequity.									
1.3 Helping workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.									
1.4 Helping middle-class families remain in the middle class.									
		FY 2007		FY 2008		FY 2009		FY 2010	FY 2011 Request
		Goal Achieved		Goal Not Achieved					
Goal	Performance Indicator	Target	Result	Target	Result	Target	Results*	Target	Target
1.4	Retention: Percent of those employed nine months after registration as an apprentice.	79%	83%	84%	84%	81.6%	NA	NA	NA
1.1	Earnings: Average wage gain for tracked entrants employed in the first quarter after registration and still employed nine months later.	\$1.33	\$1.50	\$1.51	\$0.61	\$0.61	NA	N/A	N/A
1.3	Entered Employment Rate	--	--	--	--	Baseline	70.2%	66.5%	67.0%
1.4	Employment Retention	--	--	--	--	81.6%	83.2%	84.2%	85.0%
1.1	Average Earnings	--	--	--	--	Baseline	\$20,566	\$15,618	\$15,869
Baseline(s): Determined by baseline data collection from the Wage Record Interchange System.									
Data Source(s): Registered Apprenticeship Information System (RAIS), Registered Apprenticeship Partners Information Data System (RAPIDS)									
Comments: In FY 2007-08, OA reported retention and wage gain for tracked entrants, defined as the cohort of apprentices registered and entered into RAIS (and subsequently RAPIDS) during a given reporting period. To measure outcomes after apprentices have completed the program, OA is converting to the common measures (performance indicators #s 1 and 2 will be replaced by #s 3 through 5 in FY 2010) and will baseline its performance indicators in FY 2009 using data from the Wage Record Interchange System (WRIS). Thirty-two states enter data on registered programs and apprentices into the RAPIDS. Targets will be set for the years subsequent to FY 2008 pending the availability and analysis of 4 th Quarter FY 09 results. FY 2010 and FY 2011 Targets based on Dislocated Worker Regression Analysis.									
<i>*Results for FY 2009 are data reported as of September 30, 2009.</i>									

APPRENTICESHIP

BUDGET ACTIVITY by OBJECT CLASS						
(Dollars in Thousands)						
		FY 2009 Enacted	Recovery Act	FY 2010 Enacted	FY 2011 Request	FY 11 Req. / FY 10 Enacted
11.1	Full-time permanent	10,815	0	14,416	15,032	616
11.3	Other than full-time permanent	180	0	185	185	0
11.5	Other personnel compensation	489	0	503	516	13
11.9	Total personnel compensation	11,484	0	15,104	15,733	629
12.1	Civilian personnel benefits	3,071	0	3,853	4,076	223
13.0	Benefits for former personnel	5	0	35	35	0
21.0	Travel and transportation of persons	245	0	347	357	10
22.0	Transportation of things	1	0	1	1	0
23.1	Rental payments to GSA	1,329	0	1,256	1,325	69
23.3	Communications, utilities, and miscellaneous charges	186	0	187	192	5
24.0	Printing and reproduction	34	0	84	84	0
25.1	Advisory and assistance services	905	0	319	506	187
25.2	Other services	68	0	68	68	0
25.3	Other purchases of goods and services from Government accounts 1/	2,955	0	3,754	3,762	8
25.4	Operation and maintenance of facilities	3	0	3	3	0
25.7	Operation and maintenance of equipment	940	0	1,740	1,770	30
26.0	Supplies and materials	102	0	154	159	5
31.0	Equipment	112	0	869	884	15
42.0	Insurance claims and indemnities	7	0	10	10	0
	Total	21,447	0	27,784	28,965	1,181
	1/Other Purchases of Goods and Services From Government Accounts					
	Working Capital Fund	2,955	0	3,476	3,481	5
	DHS Services	0	0	278	281	3

APPRENTICESHIP

CHANGES IN FY 2011

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$176
Personnel benefits	58
Federal Employees Compensation Act (FECA)	45
Rental payments to GSA	19
Working Capital Fund	-70
Built-Ins Subtotal	228

Net Program	953
Direct FTE	5

	Estimate	FTE
Base	28,012	155
Program Increase	953	5

EXECUTIVE DIRECTION

BUDGET AUTHORITY BEFORE THE COMMITTEE					
(Dollars in Thousands)					
	FY 2009 Enacted	Recovery Act	FY 2010 Enacted	FY 2011 Request	Diff. FY 11 Req. / FY 10 Enacted
Activity Appropriation	8,078	0	9,166	9,234	68
FTE	47	0	47	49	2

NOTE: FY 2009 reflects actual FTE. Authorized FTE for FY 2009 was 47.

Introduction

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

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2006	9,013	57
2007	9,057	56
2008	8,078	52
2009	8,078	47
2010	9,166	47

NOTE: Excludes Recovery Act Funding. See budget activity head table.

FY 2011

The FY 2011 budget request of \$9,234,000 will support 49 FTE staff. This represents an increase of \$68,000 for the mandatory built-in increase. The request includes a proposed finance change which will convert two contractor positions to Federal staff in the Office of Policy Development and Research (OPDR). This FTE increase would be accompanied by a concurrent reduction in the same number of current contract staff. OPDR depends on a contract-funded staff analyst and a management assistant to support a number of critical dissemination and management assistance services in its Division of Policy, Legislation and Regulations. Dissemination activities include providing critical technical assistance and expert advice in numerous areas such as support for regulatory activities; maintenance of the ETA advisory system, including reviewing all advisories for format and accuracy, and posting advisories to the ETA web site; and preparation of advisories for archival. Management assistance services include correspondence management, support with regulatory analysis and regulatory report preparation, OPDR web site management and maintenance, preparing Federal Register notices for publication, and providing administrative support.

EXECUTIVE DIRECTION

FY 2010

The FY 2010 appropriation of \$9,166,000 will support 47 FTE. This represents an increase of \$1,088,000 above the FY 2009 appropriation. The appropriation is financed by both General Revenue and Trust Funds. The Executive Direction budget activity included funding for the Federal staff responsible for the activities described above in the introduction.

FY 2009

The FY 2009 appropriation provided for 47 direct FTE staff and \$8,078,000. The appropriation was financed by both General Revenue and Trust Funds.

EXECUTIVE DIRECTION

BUDGET ACTIVITY by OBJECT CLASS						
(Dollars in Thousands)						
		FY 2009 Enacted	Recovery Act	FY 2010 Enacted	FY 2011 Request	FY 11 Req. / FY 10 Enacted
11.1	Full-time permanent	4,074	0	4,600	4,830	230
11.3	Other than full-time permanent	68	0	69	69	0
11.5	Other personnel compensation	184	0	189	189	0
11.9	Total personnel compensation	4,326	0	4,858	5,088	230
12.1	Civilian personnel benefits	1,157	0	1,262	1,336	74
13.0	Benefits for former personnel	2	0	0	0	0
21.0	Travel and transportation of persons	92	0	92	92	0
23.1	Rental payments to GSA	571	0	587	595	8
23.3	Communications, utilities, and miscellaneous charges	70	0	70	70	0
24.0	Printing and reproduction	13	0	13	13	0
25.1	Advisory and assistance services	341	0	344	120	-224
25.2	Other services	25	0	25	25	0
25.3	Other purchases of goods and services from Government accounts 1/	1,042	0	920	900	-20
25.4	Operation and maintenance of facilities	1	0	1	1	0
25.7	Operation and maintenance of equipment	354	0	681	681	0
26.0	Supplies and materials	39	0	47	47	0
31.0	Equipment	42	0	263	263	0
42.0	Insurance claims and indemnities	3	0	3	3	0
	Total	8,078	0	9,166	9,234	68
1/Other Purchases of Goods and Services From Government Accounts						
	Working Capital Fund	1,042	0	903	883	-20
	DHS Services	0	0	17	17	0

EXECUTIVE DIRECTION

CHANGES IN FY 2011

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$54
Personnel benefits	17
Federal Employees Compensation Act (FECA)	9
Rental payments to GSA	8
Working Capital Fund	-20
Built-Ins Subtotal	68

	Estimate	FTE
Base	9,234	47