

FY 2013

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Program Administration

PROGRAM ADMINISTRATION

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APPROPRIATION LANGUAGE

PROGRAM ADMINISTRATION

For expenses of administering employment and training programs, [~~\$97,320,000~~] \$97,571,000, together with not to exceed \$50,040,000 which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund. (*Department of Labor Appropriations Act, 2012.*)

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AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	506	\$97,516	508	\$97,320	508	\$97,571
Reduction pursuant to P.L. 112-10 for FY 2011		-\$195				
Reduction pursuant to P.L. 112-74 for FY 2012				-\$184		
Appropriation, Revised	506	\$97,321	508	\$97,136	508	\$97,571
<i>Subtotal Appropriation</i>	<i>506</i>	<i>\$97,321</i>	<i>508</i>	<i>\$97,136</i>	<i>508</i>	<i>\$97,571</i>
Offsetting Collections From:						
Reimbursements	4	\$1,295	4	\$1,295	4	\$1,295
Trust Funds	268	\$50,140	276	\$50,040	276	\$50,040
Reduction pursuant to P.L. 112-10 for FY 2011	0	-\$100	0	0	0	
Reduction pursuant to P.L. 112-74 for FY 2012				-\$95		
Trust Fund, Revised	0	\$50,040	0	\$49,945	0	
<i>Subtotal Offsetting Collections</i>	<i>272</i>	<i>\$51,335</i>	<i>280</i>	<i>\$51,240</i>	<i>280</i>	<i>\$51,335</i>
B. Gross Budget Authority	778	\$148,656	788	\$148,376	788	\$148,906
Offsetting Collections						
Reimbursements	-4	-\$1,295	-4	-\$1,295	-4	-\$1,295
Unobligated Balance Carried Forward (ARRA)	0	\$0	0	\$0	0	\$0
<i>Subtotal Deduction</i>	<i>-4</i>	<i>-\$1,295</i>	<i>-4</i>	<i>-\$1,295</i>	<i>-4</i>	<i>-\$1,295</i>
C. Budget Authority Before Committee	774	\$147,361	784	\$147,081	784	\$147,611
Offsetting Collections From:						
Reimbursements	4	\$1,295	4	\$1,295	4	\$1,295
Unobligated Balance Carried Forward (ARRA)	0	\$0	0	\$0	0	\$0
<i>Subtotal Offsetting Collections From:</i>	<i>4</i>	<i>\$1,295</i>	<i>4</i>	<i>\$1,295</i>	<i>4</i>	<i>\$1,295</i>
D. Total Budgetary Resources	778	\$148,656	788	\$148,376	788	\$148,906
Other Unobligated Balances	-15	-\$881	0	\$0	0	\$0
Unobligated Balance Expiring	0	\$0	0	\$0	0	\$0
Unobligated Balance Carried Forward (ARRA)	0	\$0	0	\$0	0	\$0
E. Total, Estimated Obligations	763	\$147,775	788	\$148,376	788	\$148,906

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2012 Enacted	FY 2013 Request	Net Change
Budget Authority			
General Funds	\$97,137	\$97,571	+\$434
Trust Funds	\$49,944	\$50,040	+\$96
Total	\$147,081	\$147,611	+\$530
 Full Time Equivalents			
General Funds	508	508	0
Trust Funds	276	276	0
Total	784	784	0

Explanation of Change	FY 2012 Base		Trust Funds		FY 2013 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	784	\$77,823	0	\$104	0	\$262	0	\$366
Personnel benefits	0	\$21,598	0	\$28	0	\$51	0	\$79
One day more of pay	0	\$0	0	\$149	0	\$255	0	\$404
Federal Employees Compensation Act (FECA)	0	\$685	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$35	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$1,400	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$10	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$9,042	0	\$247	0	\$386	0	\$633
All Other Rental	0	\$12	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$1,121	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$475	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$5,666	0	\$0	0	\$0	0	\$0
Other services	0	\$440	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$16,287	0	\$0	0	\$0	0	\$0
Other government accounts (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other government accounts (DHS Charges)	0	\$543	0	\$0	0	\$0	0	\$0
Other purchases of goods and services from Government accounts	0	\$0	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$300	0	\$0	0	\$0	0	\$0

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Explanation of Change	FY 2012 Base		Trust Funds		FY 2013 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Operation and maintenance of equipment	0	\$10,095	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$900	0	\$0	0	\$0	0	\$0
Equipment	0	\$609	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$40	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	784	+\$147,081	0	+\$528	0	+\$954	0	+\$1,482
B. Programs:								
Employment Outcome Data Matching	0	\$0	0	\$0	0	\$250	0	\$250
Programs Subtotal			0	\$0	0	+\$250	0	+\$250
Total Increase	784	+\$147,081	0	+\$528	0	+\$1,204	0	+\$1,732
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Administrative Cost Proposal Savings	0	\$0	0	-\$432	0	-\$770	0	-\$1,202
Programs Subtotal			0	-\$432	0	-\$770	0	-\$1,202
Total Decrease	0	\$0	0	-\$432	0	-\$770	0	-\$1,202
Total Change	784	+\$147,081	0	+\$96	0	+\$434	0	+\$530

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		Diff. FY13 Req. / FY12 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Adult Services	268	55,301	271	55,195	271	55,551	0	356
General Funds	222	46,765	229	46,677	229	47,015	0	338
Unemployment Trust Funds	46	8,536	42	8,518	42	8,536	0	18
Youth Services	66	12,283	69	12,260	69	12,283	0	23
General Funds	66	12,283	69	12,260	69	12,283	0	23
Workforce Security	237	42,900	242	42,819	242	42,900	0	81
General Funds	26	3,483	20	3,476	20	3,483	0	7
Unemployment Trust Funds	211	39,417	222	39,343	222	39,417	0	74
Apprenticeship	151	27,728	155	27,676	155	27,728	0	52
General Funds	151	27,728	155	27,676	155	27,728	0	52
Executive Direction	41	9,148	47	9,131	47	9,149	0	18
General Funds	31	7,061	35	7,048	35	7,062	0	14
Unemployment Trust Funds	10	2,087	12	2,083	12	2,087	0	4
Total	763	147,360	784	147,081	784	147,611	0	530
General Funds	496	97,320	508	97,137	508	97,571	0	434
Unemployment Trust Funds	267	50,040	276	49,944	276	50,040	0	96

NOTE: FY 2011 reflects actual FTE.

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BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY13 Req./ FY12 Enacted
	Full-Time Equivalent				
	Full-time Permanent	774	784	784	0
	Reimbursable	4	4	4	0
	Total	778	788	788	0
	Average ES Salary	\$170,954	\$165,241	\$166,068	\$827
	Average GM/GS Grade	12	12	12	0
	Average GM/GS Salary	\$99,922	\$97,292	\$97,779	\$487
	Average Salary of Ungraded Positions	0	0	0	0
11.1	Full-time permanent	76,520	76,958	77,640	682
11.3	Other than full-time permanent	100	100	100	0
11.5	Other personnel compensation	1,679	765	768	3
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	78,299	77,823	78,508	685
12.1	Civilian personnel benefits	21,396	22,283	22,447	164
13.0	Benefits for former personnel	35	35	35	0
21.0	Travel and transportation of persons	1,400	1,400	1,400	0
22.0	Transportation of things	10	10	10	0
23.1	Rental payments to GSA	8,820	9,042	9,675	633
23.2	Rental payments to others	12	12	12	0
23.3	Communications, utilities, and miscellaneous charges	1,498	1,121	1,121	0
24.0	Printing and reproduction	450	475	475	0
25.1	Advisory and assistance services	4,245	5,666	5,103	-563
25.2	Other services from non-Federal sources	674	440	440	0
25.3	Other goods and services from Federal sources 1/	16,527	16,830	16,830	0
25.4	Operation and maintenance of facilities	250	300	300	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	11,679	10,095	9,884	-211
26.0	Supplies and materials	1,050	900	722	-178
31.0	Equipment	815	609	609	0
42.0	Insurance claims and indemnities	200	40	40	0
	Total	147,360	147,081	147,611	530
	1/Other goods and services from Federal sources				
	Working Capital Fund	15,997	16,287	16,287	0
	DHS Services	530	543	543	0

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PERFORMANCE STRUCTURE

Strategic and Outcome Goals Supporting Secretary Solis' Vision of <i>Good Jobs for Everyone</i>	Supporting Budget Activities
Strategic Goal 1 – Prepare Workers for Good Jobs and Ensure Fair Compensation	
1.1 Increase workers' incomes and narrow wage and income inequality.	Adult Services, Youth Services, Apprenticeship, Executive Direction
1.2 Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like "green" jobs.	Adult Services, Youth Services, Apprenticeship, Executive Direction
1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	Adult Services, Youth Services, Apprenticeship, Executive Direction
1.4 Help middle-class families remain in the middle class.	Adult Services, Youth Services, Apprenticeship, Executive Direction
1.5 Secure wages and overtime.	Adult Services, Youth Services, Apprenticeship, Executive Direction
1.6 Foster acceptable work conditions and respect for workers' rights in the global economy to provide workers with a fair share of productivity and protect vulnerable people.	
Strategic Goal 2 – Ensure Workplaces Are Safe and Healthy	
2.1 Secure safe and healthy workplaces, particularly in high-risk industries.	
Strategic Goal 3 – Assure Fair and High Quality Work-Life Environments	
3.1 Break down barriers to fair and diverse work places so that every worker's contribution is respected.	
3.2 Provide workplace flexibility for family and personal care-giving.	
3.3 Ensure worker voice in the workplace.	
Strategic Goal 4 – Secure Health Benefits and, for Those Not Working, Provide Income Security	
4.1 Facilitate return to work for workers experiencing workplace injuries or illnesses who are able to work.	
4.2 Ensure income support when work is impossible or unavailable.	Workforce Security
4.3 Improve health benefits and retirement security for all workers.	
Strategic Goal 5 – Assure the Production of Timely and Accurate Data on Social and Economic Conditions of Workers and their Families	
5.1 Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans.	

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APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2003...1/2/	\$170,996	\$172,061	\$177,642	\$293,092	2,160
2004...3/	183,365	172,327	172,061	304,760	2,125
2005...4/	181,018	168,854	177,615	293,681	2,119
2006...5/	206,861	206,111	206,111	344,959	2,079
2007	189,304	199,708	199,708	171,130	1,668
2008...6/7/	216,162	170,500	185,505	172,323	896
2009...8/	144,011	0	131,153	130,463	766
2010	147,906	146,406	148,906	147,656	774
2011...9/	162,042	0	0	147,361	774
2012...10/	159,882	0	0	147,081	784
2013	147,611	0	0	0	784

1/ 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.

2/ Reflects a 0.65% rescission.

3/ 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.

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

5/ 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.

6/ Reflects a 1.747% rescission.

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

8/ FTE numbers are ceilings.

9/ Reflects a 0.2% across-the-board rescission pursuant to P.L. 112-10.

10/ Reflects a 0.189% across-the-board rescission pursuant to P.L. 112-74.

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Overview

The mission of ETA is to contribute to the more efficient functioning of the U.S. labor market by providing high quality job training, employment services, labor market information, and income maintenance, primarily through State and local workforce development systems. The majority of ETA-funded programs are administered through a Federal-State arrangement, although a small number are managed directly by ETA. The awarding and administering of grants plays a critical role in the ability to successfully achieve ETA outcomes.

ETA has identified several priority activities for FY 2013, including enhancing the competitiveness of workers and maintaining a strong and viable social safety net. Maintaining the ETA workforce at the most current enacted funding level of FY 2012 will provide the oversight and technical assistance necessary to support these high-priority activities. In addition, ETA will continue to invest in IT systems to ensure that the critical work of accounting for funds and evaluating performance is not interrupted.

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

The FY 2013 Agency request of \$147,611,000 supports 784 direct FTE. This represents an increase of \$530,000 from the FY 2012 funding level. The request includes a program increase of \$250,000 to support the establishment of a mechanism to collect student records from TAACCCT grantees and have them matched with Federal data to generate employment outcomes aggregated by program of study. This request also includes built-in increases totaling \$1,482,000 for a 0.5 percent pay raise, an extra day of pay, and a rent increase, as well as a program decrease of \$1,202,000 achieved through savings from converting contractor positions to FTE and savings in supplies and IT. Additionally, ETA estimates that 4 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.

Federal staff will be crucial to ensure that desired outcomes in support of the Department's strategic goals and the priority performance measures are achieved. As indicated in the Office of Inspector General's report #18-013-03-390, (9/30/10), Federal staff are critical in providing oversight, monitoring, and technical assistance to mitigate any potential risks of fraud and abuse in Federal investments. Each FTE directly impacts the ability of ETA to provide effective grant management and oversight of Federal investments, mitigate risk of fraud and abuse through activities such as the Unemployment Insurance Integrity Reform, and decrease disallowed costs that divert scarce resources needed to accomplish outcome goals.

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The staff administers grants, provides program direction, shapes policy, and provides guidance and technical assistance to States and grantees. ETA staff is, for the most part, not engaged in the direct provision of program services; rather, they use a variety of tools to leverage multiple aspects of the workforce system and encourage optimal results for participants. Indirect support is also allocated to provide for financial, procurement, human resources, and administrative services, as well as IT support. ETA is charged with overseeing the workforce system through the administration of \$10 billion in various appropriated grant funds. The standard formula and competitive grants are all aimed at ensuring Americans obtain the necessary skills and training to succeed in a knowledge-based economy and find paths to middle-class jobs. ETA is responsible to Congress and the American taxpayer for the effective and efficient stewardship of these funds. In FY 2013, ETA staff will have a continued focus on increasing the number of adults who complete training and acquire an industry recognized credential.

As the overall funding available for Government-wide for grant competitions decreases, ETA anticipates a significant increase in the number of applications received for each funding opportunity in FY 2013. In addition to the anticipated increase in the volume of initial applications, ETA anticipates an increased number of unsuccessful grant appeals and a move towards increased grant transparency. Grant administration will continue to focus on both competitive and formula grants that remain active from awards in previous years. In addition, staff will be conducting audit and closeout activities for the numerous Recovery Act grants that will be ending in FY 2012. This is a critical activity to ensure the integrity of the funds and the reduction of improper payments.

Federal staff will be required to: work closely with grantees to promote maximum program outcomes; document innovations and disseminate those practices as improvements of the system; document issues and improvements; develop and deliver training curricula on federal policies and priorities; and support the activity of the Department in the field. Federal staff activities such as these are not fully reflected in the workload and performance numbers for grant. In these duties, Federal staff support the workforce system in meeting priority goals. ETA is currently in the process of developing performance metrics for the provision of technical assistance to grantees.

As DOL moves to maintain a viable and strong safety net that provides timely and accurate temporary income support, there will be greater emphasis on reducing the risk for improper payments. ETA continues its focus on improving the integrity of the Unemployment Insurance (UI) program. UI will employ new strategies to prevent, detect, and recover improper payments by providing resources to States including guidance in the use of these tools to make them more effective, initiate innovative pilots and facilitate the sharing of best practices with the States. In addition, ETA will design and develop automated methods to prevent, detect, and collect overpayments. In 2011, UI implemented the new Effect Audit Measure which includes factors that focus on misclassification detection. This will be a core measure in the UI Performs performance measurement system in FY 2013, and States that fail the measure will be required to write corrective action plans. This will require ongoing technical assistance from Federal staff during regular monitoring activities and during review of the State Quality Service Plans.

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As ETA faces the growing challenge of preparing Americans to take advantage of available jobs and training, the conflicting challenges of attracting skilled foreign workers while ensuring jobs are available for American workers, and the challenge of maintaining a viable and strong safety net, there will be a need to focus efforts on continuing to provide the highest quality of services to stakeholders through concentration on core activities. Maintaining staffing at FY 2012 levels to provide technical assistance and oversight of grant activities helps mitigate the risk for fraud and abuse, poor performance by grantees, lack of credible reporting and evaluation, and unfavorable audit reports. The agency will continue to develop partnerships with other agencies, as well as with the business community, community colleges and local workforce partners, and work to identify where efficiencies can be achieved to strengthen oversight capacity. PA resources will maximize effectiveness by strengthening coordination and communication across offices and with our partners.

In addition to staff working on program oversight and activities, the PA account funds Federal and contract staff in key support services that serve management and quality control functions. In early FY 2012, ETA converted contractor staff to 21 FTE in the Office of Financial and Administrative Management (OFAM) for Financial Services Support, Administrative Services Support, IT Support Services, and Grant Support Services. Of these 21 conversions, 10 comprised an FTE increase and 11 were absorbed into existing positions. This initiative was included in the Department of Labor's Campaign to Cut Waste submission to OMB in October 2011.

These contractor conversions are producing over \$1 million in cost savings and are enhancing ETA's efficiency by building its knowledge base, providing consistency in its work and continuity across fiscal and program years by transitioning some of its key support needs to federal staffing to perform continuing functions that support its mission.

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DETAILED WORKLOAD AND PERFORMANCE				
	FY 2011 Enacted		FY 2012 Enacted	FY 2013 Request
	Target	Result	Target	Target
Grants Management				
Strategic Goal 1 - Prepare Workers for Good Jobs and ensure fair compensation				
Outcome Goal 1.1 - Increase workers' incomes and narrowing wage and income inequality				
Outcome Goal 1.2 - Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like "green" jobs.				
Outcome Goal 1.3 - Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.				
Outcome Goal 1.4 - Help middle-class families remain in the middle class.				
Strategic Goal 4 – Secure Health Benefits and, for Those Not Working, Provide Income Security				
Outcome Goal 4.2 - Ensure income support when work is impossible or unavailable.				
Active Grant Projects that Receive a Desk Review Quarterly	9,605	10,543	12,848	11,900
Initial Risk Assessments conducted for new awards managed by ORM completed within 45 days of award	3,550	3,813	3,381	2,975
Grant Management Reports issued by ORM based on Projects reviewed	1,183	1,540	845	900
Percent of Competitive Discretionary Grant Funds Awarded Each Quarter	N/A	N/A	100%	100%
Grants Closeouts Completed within 90 Days After the Grant Ends	610	945	680	720

Workload and Performance Summary

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

- **Active ORM Projects that Receive a Desk Review Quarterly:** Desk Reviews are conducted for grants, most of which are managed in the regional offices. They are done quarterly after the receipt of quarterly financial and program reports for every active grant (discretionary and formula), and includes an assessment of current grant status, performance, and timely and accurate reporting.
- **Initial Risk Assessments conducted for new awards managed by ORM completed within 45 days of award:** All Federal Project Officers (FPOs) assigned to a newly awarded grants conduct an initial Risk Assessment in the Grants E-Management System (GEMS) with 45 days of the grant award.
- **Grant Management reports issued by ORM based on Projects Reviewed:** The results of intensive monitoring and oversight are communicated to grantees in written reports, including both onsite reports and those from a desk analysis. Intensive onsite or desk analysis reviews may be done in response to an indication by regional staff that an issue or problem exists with the grant, and may be based on risk level in GEMS.

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- **Competitive Discretionary Grant Funds Awarded** – Awarding grants is a major responsibility for the Office of Financial Administration and Management (OFAM). ETA makes awards throughout the year for discretionary and special purpose awards as Solicitation for Grant Awards (SGAs) are paneled, rated and approved for award.
- **Grants Closeouts Completed within 90 Days After the Grant Ends:** Grant closeouts are completed using an inventory tracking system and are a function of OFAM. Grant closeout inventory specialists consult with Grant Officers and Program Officials to verify grants ready for closure, identifying grants with period of performance extensions. During the 90 days in which grantees are required to submit closeout information, ongoing communication and information gathering takes place with FPOs and grantees. After closeout documents are received from the grantee, a financial reconciliation is performed and internal certifications are completed. Once the internal certification and financial obligations are addressed, the final closeout modification is created, reviewed and signed by the Grant Officer. In some instances, (i.e. non-receipt of closeout documents, identification of unallowable costs, unmet match requirements), Initial and Final Determinations are issued to the grantee in an effort to resolve cost issues.

ETA is currently developing performance metrics to measure the effectiveness of Federal staff in providing technical assistance to grantees. Technical assistance to grantees covers a wide range of needs and is accomplished through a variety of methods, including training webinars accessible to all grantees, regional and national conferences, and direct contact with Federal staff. The primary goal of all technical assistance efforts is to help grantees, especially under-performing grantees, accomplish their missions and successfully execute their grant programs.

These performance measure activities will be more difficult to achieve in FY 2013 due to an anticipated rise in staff workloads. With the Government-wide decrease in funding available for grant competitions, ETA anticipates a significant increase in the number of applications received for each funding opportunity in FY 2013. An increase in applications will increase the burden on our existing staff in coordinating and participating on technical reviews. In addition to the voluminous technical reviews, we anticipate a significant increase in high scoring applications which will require grant staff to perform additional analysis of applications to determine the most beneficial applications for award.

Another result of constrained Federal resources is an increase in the number of appeals from unsuccessful grant applicants; from an average of 1 or 2 per year, ETA now estimates receiving 4 or 5 per year based on the current trend. While small in number, the workload associated with each appeal can be significant. With less funding available for the public, DOL anticipates more applicants will be asserting appeal rights to the Administrative Law Judge. Preparing materials in response to these appeals is tremendously time consuming and must be done with thoroughness and great care. We must have enough staff to conduct our regular business, while at the same time supplying quality responses to all legal challenges.

The Department is committed to increasing the transparency of its grant awards by posting award information on a public web site, including summaries of all competitive applications and technical proposals for all awarded competitive grants. In order to prepare this information for posting on the Internet, significant staff time will be required to obtain redacted copies of the

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technical proposals, to review all competitive summaries to remove personal identifiable information, and the actual labor of posting the materials to the website.

In summary, ETA staff will face the following workload pressures that necessitate maintaining funding for the program administration account in FY 2013:

- Strengthening technical assistance to reduce the risk for improper payments and promote performance accountability and innovative strategies that improve the workforce system
- Anticipated increased volume of grant applications and unsuccessful grant appeals
- Conducting activities to improve grant transparency
- Continuing quality monitoring and oversight of grant awards. The majority of the 253 competitive Recovery Act grants will come to the end of their period of performance during FY 2012, which means increasing DOL final reporting and closeout workload by over 20%.

ADULT SERVICES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY 13 Req. / FY 12 Enacted
Budget Authority	55,301	55,197	55,551	354
FTE	268	271	271	0

NOTE: FY 2011 reflects actual FTE. Authorized FTE for FY 2011 was 266.

Introduction

The budget request provides for the Federal administration of Adult Services that includes: Adult and Dislocated Worker employment and training activities (including Workforce Innovation Fund activities), WIA national activities including the Indian and Native American program and the Migrant and Seasonal Farmworker program; the TAA program; TAACCCT; H1-B training grants; and administrative staff support. The Adult Services activity currently supports the administration of the Senior Community Service Employment Program (SCSEP); however, in FY 2013 ETA proposes the transfer of this program to the Agency on Aging at the Department of Health and Human Services.

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

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

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

- 1.1 Increase workers’ incomes and narrowing wage and income inequality.
- 1.2 Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high growth and emerging industry sectors like “green” jobs.
- 1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs.
- 1.4 Help middle-class families remain in the middle-class.

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

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

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

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

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

The programs also address the following Priority Activities:

- By September 30, 2013, increase the percent of training program exiters who earn industry-recognized credentials by 10 percent through the following programs: Workforce Investment Act (WIA) adult, dislocated worker and youth; National Emergency Grants (NEG); and Trade Adjustment Assistance (TAA).

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

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2008	\$50,392	267
2009	\$51,061	259
2010	\$55,412	266
2011	\$55,301	266
2012	\$55,197	271

FY 2013

The FY 2013 request of \$55,551,000 supports 271 direct full-time equivalent (FTE) staff. This represents an increase of \$354,000 from the FY 2012 level.

In FY 2013, ETA will issue additional competitive SGAs for the TAA Community College and Career Training (TAACCCT) program. Funding for this initiative was provided in the Health Care and Education Affordability Reconciliation Act of 2010 for FY 2011-2014 in the amount of \$500 million per year. In addition, the budget includes a program increase of \$250,000 to

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support the establishment of a mechanism to collect student records from TAACCCT grantees to be matched with Federal data to generate employment outcomes aggregated by program of study. Data matching is crucial to help inform schools, policymakers, and jobseekers about which training programs lead to good jobs.

ETA's highest priority for S&E funds is Federal staff to administer, monitor, and provide guidance to the public workforce system. The Adult Program provides agency support in key areas of ETA's communications and technical assistance infrastructure; national electronic tools; and policy development for system governance. As such, they are often at the epicenter for supporting the Agency's strategic priorities for the workforce system. These programs are key components to winning the future by out-innovating and out-educating our competition in support of adult workers and new labor market entrants. In addition, Federal staff will aid in the implementation of an expanded access initiative for One-Stop Career Centers nationwide. Keeping staff at FY 2012 FTE levels will provide sufficient resources to support these programs. The 3 FTE no longer needed for SCSEP due to that program's proposed transfer to the Department of Health and Human Services will be used to support the Workforce Innovation Fund, TAACCCT, and other high-priority initiatives.

As a result of the passage of the Recovery Act, ETA's responsibility for monitoring grantee investments increased tremendously. With this responsibility comes the need for resources to carry out our primary mission – public stewardship of resources, effective grants management, technical assistance to ETA grantees, and close-out of those grants through FY 2013. Furthermore, many of these grants are with new organizations, span multiple States and locations, and are likely to have more scrutiny than formula grants of the past. All of this increases the time spent on grant management. [As noted in a recent OIG Report: Recovery Act: Employment and Training Administration Grant Issuance and Monitoring Policies and Procedures for Discretionary Grants Including Green Jobs are Comprehensive but Funding Challenges Threaten the Quality of Future Monitoring Activities Report No. 18-10-013-03-390 (September 30, 2010)] Additionally, new grants under the Workforce Innovation Fund will significantly increase grant management activities and workload extending beyond FY 2013, since the funding for some of these grants will be over a four year period.

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

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

Grant management activities directly support each of the Department's outcome goals by facilitating grantee performance to improve outcomes for program participants. The standard

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formula and competitive grants, in addition to the TAA Community College grants, are all aimed at ensuring Americans obtain the necessary skills and training to succeed in a knowledge-based economy and find paths to middle-class jobs. In FY 2013, ETA staff will have a continued focus on increasing the number of adults who complete training and acquire an industry-recognized credential. A decrease in resource levels and FTE to provide technical assistance and oversight of grant activities may create a greater risk for fraud and abuse, poor performance by grantees, lack of credible reporting and evaluation, and unfavorable audit reports. Keeping FTE at the FY 2012 level will mitigate these risks.

Office of Trade Adjustment Assistance (OTAA)

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

OTAA contributes to two key employment and training outcome goals:

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

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

The FY 2013 request is made consistent with the provisions in the TAA Extension Act of 2011. As a result of this legislation, TAA anticipates an expansion of trade workers certified, expanding TAA to cover more workers and firms, and improving training opportunities and health insurance coverage.

Indirect Staff Support

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

FY 2012

In FY 2012, \$55,197,000 was provided, which will support 271 direct full-time equivalent (FTE) staff. This represents a decrease of \$104,000 from the FY 2011 enacted level. This staff level includes 5 FTE from a contractor conversion, which will result in cost savings that allow an increase in FTE even as funding for this activity is reduced.

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Among the grant competitions to be administered in FY 2012, ETA will issue competitive SGAs to implement the TAA Community College and Career Training program. Funding for this initiative was provided in the Health Care and Education Affordability Reconciliation Act of 2010 for FY 2011-2014 in the amount of \$500 million per year. ETA staff provide essential program and policy support as well as technical assistance to grantees to ensure they adhere to fiscal, administrative, and performance reporting requirements and help them achieve positive outcomes.

Grant management activities directly support each of the Department's outcome goals by facilitating grantee performance with the goal of improving outcomes for program participants. The standard formula and competitive grants, in addition to the TAA Community College grants, are all aimed at ensuring Americans obtain the necessary skills and training to succeed in a knowledge-based economy and find paths to middle-class jobs.

Office of Trade Adjustment Assistance (OTAA)

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

OTAA contributes to two key employment and training outcome goals:

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

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

The TAA Extension Act of 2011 expanded TAA to cover more workers and firms, and improve training opportunities and health insurance coverage. As a result of this legislation, TAA anticipates an expansion of trade workers certified.

Indirect Staff Support

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

A contract conversion of 5 FTE reflects a strategy to change the ratio of Federal to contract staff in key support services that serve management and quality control functions. In early FY 2012, ETA completed contractor conversions in the Office of Financial and Administrative Management (OFAM) for Financial Services Support, Administrative Services Support, IT

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Support Services, and Grant Support Services. This initiative was included in the Department of Labor's Campaign to Cut Waste submission to OMB in October 2011.

These contractor conversions are producing cost savings and enhancing ETA's efficiency by building its knowledge base, providing consistency in its work and continuity across fiscal and program years by transitioning some of its key support needs to Federal staffing to perform continuing functions that support its mission. ETA is exploring the possibility of expanding the benefits of these efforts by undertaking a contractor conversion aimed at the Accounting and Financial Management units.

FY 2011

The FY 2011 appropriation provided \$55,301,000 and supported 268 FTE to administer ETA's Adult-focused programs. This represents a decrease of \$111,000 from the 2010 enacted level. The Adult Services activities included funding for the Federal staff responsible for the activities described above in the introduction, including the administration of increased funding of more than \$2.5 billion for WIA from the Recovery Act in the Adult Services area.

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DETAILED WORKLOAD AND PERFORMANCE				
	FY 2011 Enacted		FY 2012 Enacted	FY 2013 Request
	Target	Result	Target	Target
Adult Services				
Trade Adjustment Assistance Administration	--	--	--	--
Outcome Goal 1.3 - Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	--	--	--	--
Outcome Goal 1.4 - Help middle-class families remain in the middle class.	--	--	--	--
Average Petition Processing Time (in days)	40	80	40	40
Percent of Petitions Completed within 40 Days	75.00%	31.50%	75.00%	80.00%

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

Workload and Performance Summary

The production measures demonstrate the Employment and Training Administration capacity to administer the Trade Adjustment Assistance Petition functions and meet the Secretary's Strategic Goal 1, more specifically supporting Outcome Goals 1.1, 1.2, 1.3 and 1.4.

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

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

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY13 Req./ FY12 Enacted
11.1	Full-time permanent	26,553	26,385	26,599	214
11.3	Other than full-time permanent	100	100	100	0
11.5	Other personnel compensation	574	263	264	1
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	27,227	26,748	26,963	215
12.1	Civilian personnel benefits	7,359	7,632	7,690	58
13.0	Benefits for former personnel	13	12	12	0
21.0	Travel and transportation of persons	283	496	496	0
22.0	Transportation of things	3	3	3	0
23.1	Rental payments to GSA	3,005	3,113	3,331	218
23.2	Rental payments to others	12	4	4	0
23.3	Communications, utilities, and miscellaneous charges	875	389	389	0
24.0	Printing and reproduction	324	279	279	0
25.1	Advisory and assistance services	1,651	4,176	4,041	-135
25.2	Other services from non-Federal sources	316	163	163	0
25.3	Other goods and services from Federal sources 1/	7,168	6,296	6,296	0
25.4	Operation and maintenance of facilities	238	120	120	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	6,207	5,276	5,276	0
26.0	Supplies and materials	370	278	278	0
31.0	Equipment	215	210	210	0
42.0	Insurance claims and indemnities	35	0	0	0
	Total	55,301	55,197	55,551	354
	1/Other goods and services from Federal sources				
	Working Capital Fund	6,987	6,109	6,109	0
	DHS Services	181	187	187	0

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CHANGES IN FY 2013

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$100
Personnel benefits	27
One day more of pay	146
Federal Employees Compensation Act (FECA)	0
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	218
All Other Rental	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services	0
Working Capital Fund	0
Other government accounts (Census Bureau)	0
Other government accounts (DHS Charges)	0
Other purchases of goods and services from Government accounts	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$491**

Net Program **-\$135**

Direct FTE **0**

	Estimate	FTE
Base	\$55,686	271
Program Increase	\$250	0
Program Decrease	-\$385	0

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY 13 Req. / FY 12 Enacted
Budget Authority	12,283	12,260	12,283	23
FTE	66	69	69	0

NOTE: FY 2011 reflects actual FTE. Authorized FTE for FY 2011 was 67.

Introduction

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

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

WIA Youth Activities

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

YouthBuild Program

The YouthBuild program provides grants for job training and educational opportunities for at-risk youth who help construct or rehabilitate housing for low-income or homeless families and

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individuals in their communities. Participants in YouthBuild receive a combination of classroom and job skills development and on-site training in a construction trade. The Federal staff which oversees the YouthBuild program negotiates and administers grants, prepares program guidance, monitors program implementation, oversees the reporting system, tracks grantee performance, provides technical assistance to grantees, and oversees distribution of program resources.

Reintegration of Ex-Offenders

The Reintegration of Ex-Offenders (RExO) program helps adult and youth ex-offenders and youth at-risk of criminal behavior to obtain employment and/or training in industries and occupations that offer good wages and opportunities for advancement. Staff in the Division of Youth Services (DYS) lead the policy and procurement development process for all RExO funded activities, including researching program models and developing SGAs. DYS staff lead the development and provision of grantee technical assistance delivered through Federal staff, Federal Project Officers in the regions, contractors, and other Federal agencies such as the Department of Justice and Health and Human Services. DYS also coordinates program and performance reporting across all of the grants.

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

- 1.1 Increasing workers' incomes and narrowing wage and income inequality.
- 1.2 Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high growth and emerging industry sectors like "green" jobs.
- 1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs.
- 1.4 Help middle-class families remain in the middle-class.

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

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

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

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

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

The programs also address the following Priority Activities:

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- By September 30, 2013, increase the percent of training program exiters who earn industry-recognized credentials by 10 percent through the following programs: Workforce Investment Act (WIA) adult, dislocated worker and youth; National Emergency Grants (NEG); and Trade Adjustment Assistance (TAA).

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

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2008	\$10,789	64
2009	\$10,932	62
2010	\$12,308	67
2011	\$12,283	67
2012	\$12,260	69

FY 2013

The FY 2013 request of \$12,283,000 supports 69 direct full-time equivalent (FTE) staff. This represents an increase of \$23,000 from the FY 2012 funding level.

Grants awarded through the Workforce Innovation Fund and the continued work associated with the YouthBuild and Reintegration of Ex-Offender youth grants will significantly increase grant management activities and workload extending into FY 2013, since the funding for some of these grants is over a four year period. There will also be increased technical assistance workload associated with promoting best practices for increasing credential attainment among young people.

ETA's highest priority for S&E funds is Federal staff to administer, monitor, and provide guidance to the public workforce system. The Youth Program provides agency support in key areas of ETA's communications and technical assistance infrastructure; national electronic tools; and policy development for system governance. As such, they are often at the epicenter for supporting the Agency's strategic priorities for the workforce system. These programs are key components to winning the future by out-innovating and out-educating our competition in support of new labor market entrants.

Indirect Staff Support

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

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management, financial management, budget oversight, information technology, and performance management.

FY 2012

In FY 2012, the appropriation of \$12,260,000 supports 69 direct full-time equivalent (FTE) staff. This represents a decrease of \$23,000 and includes 2 FTE for a contractor conversion, which will result in cost savings that allow an increase in FTE even as funding for this activity is reduced.

The Recovery Act significantly increased funding for WIA, providing more than \$1.2 billion for Youth activities. Important activities such as the oversight and monitoring of how Recovery Act funds were expended will continue; the requested funds will provide for staff to conduct closeout activities for all Recovery Act grants and contracts, and to oversee program evaluation.

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

Indirect Staff Support

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

A contract conversion of 2 FTE reflects a strategy to change the ratio of Federal to contract staff in key support services that serve management and quality control functions. In early FY2012, ETA completed contractor conversions in the Office of Financial and Administrative Management (OFAM) for Financial Services Support, Administrative Services Support, IT Support Services, and Grant Support Services. This initiative was included in the Department of Labor's Campaign to Cut Waste submission to OMB in October 2011.

These contractor conversions are producing cost savings and enhancing ETA's efficiency by building its knowledge base, providing consistency in its work and continuity across fiscal and program years by transitioning some of its key support needs to Federal staffing to perform continuing functions that support its mission. ETA is exploring the possibility of expanding the benefits of these efforts by undertaking a contractor conversion aimed at the Accounting and Financial Management units.

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FY 2011

The FY 2011 appropriation provided \$12,283,000 and supported 66 FTE. In FY 2011, the Youth Services activities include funding for the Federal staff responsible for the activities described above in the introduction. In addition, the Recovery Act significantly increased funding for WIA in FY 2011, providing more than \$1.2 billion for Youth activities. Federal staff provided critical activities such as oversight, monitoring, and closeout for these additional grants in FY 2011.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY13 Req./ FY12 Enacted
11.1	Full-time permanent	6,420	6,655	6,732	77
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	143	66	66	0
11.9	Total personnel compensation	6,563	6,721	6,798	77
12.1	Civilian personnel benefits	1,790	1,925	1,940	15
13.0	Benefits for former personnel	8	3	3	0
21.0	Travel and transportation of persons	126	112	112	0
22.0	Transportation of things	1	1	1	0
23.1	Rental payments to GSA	779	770	824	54
23.2	Rental payments to others	0	4	4	0
23.3	Communications, utilities, and miscellaneous charges	96	98	98	0
24.0	Printing and reproduction	17	17	17	0
25.1	Advisory and assistance services	236	274	151	-123
25.2	Other services from non-Federal sources	205	37	37	0
25.3	Other goods and services from Federal sources 1/	1,484	1,416	1,416	0
25.4	Operation and maintenance of facilities	2	28	28	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	790	728	728	0
26.0	Supplies and materials	52	70	70	0
31.0	Equipment	130	56	56	0
42.0	Insurance claims and indemnities	4	0	0	0
	Total	12,283	12,260	12,283	23
	1/Other goods and services from Federal sources				
	Working Capital Fund	1,437	1,370	1,370	0
	DHS Services	47	46	46	0

YOUTH SERVICES

CHANGES IN FY 2013

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$48	
Personnel benefits	7	
One day more of pay	37	
Federal Employees Compensation Act (FECA)	0	
Benefits for former personnel	0	
Travel and transportation of persons	0	
Transportation of things	0	
Rental payments to GSA	54	
All Other Rental	0	
Communications, utilities, and miscellaneous charges	0	
Printing and reproduction	0	
Advisory and assistance services	0	
Other services	0	
Working Capital Fund	0	
Other government accounts (Census Bureau)	0	
Other government accounts (DHS Charges)	0	
Other purchases of goods and services from Government accounts	0	
Research & Development Contracts	0	
Operation and maintenance of facilities	0	
Operation and maintenance of equipment	0	
Supplies and materials	0	
Equipment	0	
Insurance claims and indemnities	0	

Built-Ins Subtotal **\$146**

Net Program **-\$123**

Direct FTE **0**

	Estimate	FTE
Base	\$12,406	69
Program Decrease	-\$123	0

WORKFORCE SECURITY

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY 13 Req. / FY 12 Enacted
Budget Authority	42,900	42,819	42,900	81
FTE	237	242	242	0

NOTE: FY 2011 reflects actual FTE. Authorized FTE for FY 2011 was 239.

Introduction

The budget request provides for the Federal administration of the Workforce Security Program. Staff directly contribute to the strategies described below to achieve the FY 2013 ETA priority goal of strengthening the UI safety net. ETA plans to use its Program Administration funds to provide sufficient oversight, informal evaluation and technical assistance to grant and contract recipients to maintain good stewardship of tax dollars. Each FTE directly impacts the ability to provide effective grant management and oversight of Federal investments, and efforts like UI integrity and identifying misclassification of independent contractors. Less accountability for ETA investments results in higher disallowed costs, decreased ability to assess and mitigate risks of fraud and abuse in the operation of DOL programming by grantees, and increased vulnerability to Congressional inquiry and negative consequences that undermine public confidence in the Federal government. ETA will utilize its resources to disseminate promising practices and encourage cross-site collaboration to improve customer service, expand opportunities and generate positive outcomes.

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

- 1.1 Increase workers' incomes and narrowing wage and income inequality.
- 1.2 Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high growth and emerging industry sectors like "green" jobs.
- 1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs.
- 1.4 Help middle-class families remain in the middle-class.

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

1.1 – Increasing the average earnings of individuals served through the Wagner-Peyser Act.

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

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

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

Unemployment Insurance

The Office of Unemployment Insurance (OUI) is responsible for providing oversight and policy guidance to the Federal-State unemployment compensation program to ensure conformity and substantial compliance of State law, regulations, rules, and operations with Federal law. OUI determines administrative fund requirements and provides money to States for proper and efficient administration; sets broad overall policy for administration of the program, and with assistance of regionally located staff monitors State performance and provides technical assistance; and oversees Federal and State activity in the unemployment trust fund and fulfills responsibilities ensuring solvency of Federal accounts.

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

In addition to the above, the following strategic areas will be a major focus in FY 2013:

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

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

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

- Worker Misclassification Grants. ETA will provide competitive funding to States to increase their capacity to detect misclassification and also bonuses to States with significantly improved performance in this area.

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- President's Executive Order on Improper Payments. ETA is currently supporting implementation of this executive order, which will include new performance targets, enhanced reporting, transparent publication of data, and a stronger focus on strategies that address the root causes of improper payments to decrease UI improper payments.

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

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

Employment Service

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

Workforce Information/National Electronic Tools/System Building

Program Administration funding for the Workforce Information/National Electronic Tools/System Building budget activity supports the operation and management of information and tools for the workforce investment system, including America's Career Information Network, mySkills myFuture, and O*NET. Specific activities include developing policy guidance, issuing grants and grants management. Staff support will also be provided for data collection for veterans' Priority of Service as part of the Department's implementation of the VOW to Hire Heroes Act and to manage eligibility criteria relating to the UI provisions of the Act.

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Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2008	\$81,898	387
2009	\$38,945	271
2010	\$42,986	239
2011	\$42,900	239
2012	\$42,819	242

FY 2013

The FY 2013 Budget request of \$42,900,000 will support 242 FTE. This represents an increase of \$81,000 from the FY 2012 requested level. ETA's highest priority for S&E funds is to maintain its Federal staff at the FY 2012 FTE level and continue to invest in IT systems so that the critical work in support of priority goals is not interrupted.

As the economy stabilizes, there is a need to refocus the UI program in the following key areas: legislative reforms to strengthen the program moving forward; reemployment of UI claimants; improved program accountability and performance improvement; program integrity; and providing technical assistance to States to improve trust fund solvency. There is a clear need for FTEs to enable implementation of new strategies and enhanced monitoring and technical assistance in these areas including strategies to reduce improper payments; to improve detection of misclassified workers; to do intensive work with "at-risk" States to address long-term poor performance; to benchmark business processes for UI administration and to share best practices among States; to work collaboratively with States to ensure UI staff have the skills and competencies they need; and to implement a national model for Reemployment and Eligibility Assessments. Funds are necessary to ensure sufficient FTE to oversee the claims process for payments to unemployed workers, including military personnel and workers adversely affected by imports who may be eligible for benefits under the Trade Act. Federal staff will also support a variety of activities necessary to implement and manage the UI eligibility criteria in the provisions of the new VOW to Hire Heroes Act.

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

Indirect Staff Support

The Workforce Security activity in the Program Administration account also provides funding for the costs of staff in ETA's Office of Financial and Administrative Management (which includes the Office of Technology) and Office of Policy Development and Research to provide

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administrative management for Workforce Security programs. Administration activities include grants and contract management, financial management, budget oversight, information technology, and performance management. Pilots and demonstrations of promising workforce development interventions and strategies enable ETA to determine if there are effective means of providing job training that can be replicated and brought to scale. Rigorous evaluations enable ETA to measure the impact of existing workforce development strategies.

FY 2012

The FY 2012 Budget request of \$42,819,000 will support 242 FTE. This represents a decrease of \$81,000 from the FY 2011 enacted level. This staff level includes 3 FTE for a contractor conversion, which will result in cost savings that allow an increase in FTE even as funding for this activity is reduced.

Federal staff are needed to ensure that desired outcomes in support of the Department's strategic goals are achieved. Funds are necessary to ensure sufficient FTE to oversee the claims process for payments to unemployed workers, including military personnel and workers adversely affected by imports who may be eligible for benefits under the Trade Act. ETA will align its resources to ensure that this critical work is done.

In FY 2012 Federal staff will continue to develop program policy with an emphasis on integrity, provide guidance to State Workforce Agencies (SWAs), oversee their activities, collect and disseminate programmatic information, ensure proper financial management of the UI system, and provide technical assistance to states in a variety of areas. A key objective for FY 2012 will be to reduce improper payments with special emphasis on improving strategies to prevent, detect, and reduce over payments. As in past years, Federal staff will continue to assist states to develop solutions to solvency problems with direct analysis and by implementing or updating simulation models that allow State staff to analyze various approaches to financing their systems. In addition, training will be provided either in person or by webinars and assistance will be given on State legislative proposals to help states avoid conformity and compliance issues with Federal law.

Indirect Staff Support

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

A contract conversion of 3 FTE reflects a strategy to change the ratio of Federal to contract staff in key support services that serve management and quality control functions. In early FY2012, ETA completed contractor conversions in the Office of Financial and Administrative Management (OFAM) for Financial Services Support, Administrative Services Support, IT

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Support Services, and Grant Support Services. This initiative was included in the Department of Labor's Campaign to Cut Waste submission to OMB in October 2011.

These contractor conversions are producing cost savings and enhancing ETA's efficiency by building its knowledge base, providing consistency in its work and continuity across fiscal and program years by transitioning some of its key support needs to Federal staffing to perform continuing functions that support its mission. ETA is exploring the possibility of expanding the benefits of these efforts by undertaking a contractor conversion aimed at the Accounting and Financial Management units.

FY 2011

The FY 2011 appropriation of \$42,900,000 supported 237 FTE staff. This represented a decrease of \$86,000 from the FY 2010 enacted funding level. During the year ETA provided technical assistance to States in a variety of UI Program areas. Nineteen States requested and received assistance with updating or implementing ETA's computer model that simulates State UI benefit financing systems in order to help them analyze how to improve trust fund solvency under various economic conditions. States were provided advice for legislation on how to achieve certain objectives while complying with Federal law and more than 1,500 State bills and 1,006 regulations were reviewed to ensure conformity with Federal law. ETA provided technical assistance in FY 2011 to six States that submitted applications for UI Modernization Act incentive funds, assessed those applications under the requirements of the law, and awarded \$1.2 billion of the \$7.0 billion Congress reserved for that purpose. ETA also provided substantial technical assistance to Administration and congressional staff working on extensions for Emergency Unemployment Compensation and Federal payment of 100 percent of Extended Benefits. Additional technical assistance was provided to Administration staff in the development of a UI Reform proposal.

ETA was also engaged in overseeing implementation of various tools to assist States with UI operations and administration. ETA facilitated implementation of the State Information Data Exchange System (an electronic database that allows firms to more efficiently report when employees are laid off) in nine States during FY 2011 and provided \$212,000 for this purpose. ETA also facilitated implementation of the Treasury Offset Program which permits States to recover certain UI debts due to fraud from Federal income tax refunds. During FY 2011, 10 States were brought online.

ETA also issued a "call to action" to State UI administrators to ensure that UI integrity is a top priority and to develop State specific strategies to bring down the UI improper payment rate. States were also provided supplemental funding to implement projects designed to prevent and detect improper payments. A total grant award of \$191 million was provided to 42 States for program integrity, and performance and system improvement projects. The goals of the funding were to accelerate significant State actions to reduce improper payment rates; and provide an opportunity for States to modernize their UI benefits and/or UI tax systems, and design and implement technology-based tools to prevent, detect or recover improper UI payments. Additionally, a couple of virtual *UI Integrity Institutes* were conducted in FY 2011 that were designed to support States' efforts and strategic planning to reduce State improper payment rates;

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thereby reducing the national rate, and to promote information sharing regarding successful practices.

Finally, ETA awarded a total of \$48.7 million to 38 States in FY 2011 to implement or continue the Reemployment and Eligibility Assessment (REA) initiative for unemployment insurance (UI) beneficiaries. This was the seventh year that ETA awarded REA grants. The funds are used to conduct in-person assessments in One-Stop Career Centers and include a UI eligibility review, the provision of labor market information, development of a reemployment plan and referral to reemployment services and/or training. The grants support strong linkages between the UI program and reemployment service providers as well as program integrity.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY13 Req./ FY12 Enacted
11.1	Full-time permanent	24,339	24,325	24,519	194
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	536	241	242	1
11.9	Total personnel compensation	24,875	24,566	24,761	195
12.1	Civilian personnel benefits	6,763	7,030	7,083	53
13.0	Benefits for former personnel	2	11	11	0
21.0	Travel and transportation of persons	386	422	422	0
22.0	Transportation of things	2	3	3	0
23.1	Rental payments to GSA	3,081	3,169	3,391	222
23.2	Rental payments to others	0	4	4	0
23.3	Communications, utilities, and miscellaneous charges	270	345	345	0
24.0	Printing and reproduction	62	5	5	0
25.1	Advisory and assistance services	1,298	236	236	0
25.2	Other services from non-Federal sources	82	140	140	0
25.3	Other goods and services from Federal sources 1/	3,379	4,827	4,827	0
25.4	Operation and maintenance of facilities	6	88	88	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	2,031	1,493	1,282	-211
26.0	Supplies and materials	186	297	119	-178
31.0	Equipment	326	183	183	0
42.0	Insurance claims and indemnities	151	0	0	0
	Total	42,900	42,819	42,900	81
	1/Other goods and services from Federal sources				
	Working Capital Fund	3,194	4,637	4,637	0
	DHS Services	185	190	190	0

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CHANGES IN FY 2013

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$92
Personnel benefits	25
One day more of pay	131
Federal Employees Compensation Act (FECA)	0
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	222
All Other Rental	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services	0
Working Capital Fund	0
Other government accounts (Census Bureau)	0
Other government accounts (DHS Charges)	0
Other purchases of goods and services from Government accounts	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$470**

Net Program **-\$389**

Direct FTE **0**

	Estimate	FTE
Base	\$43,289	242
Program Decrease	-\$389	0

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY 13 Req. / FY 12 Enacted
Budget Authority	27,728	27,676	27,728	52
FTE	151	155	155	0

NOTE: FY 2011 reflects actual FTE. Authorized FTE for FY 2011 was 155.

Introduction

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

The Office of Apprenticeship (OA) program responsibilities include promotional activities, outreach and education, technical assistance provided to new and existing sponsors to develop, register, and maintain apprenticeship programs, and conducting quality and Equal Employment Opportunity (EEO) reviews for new and existing apprenticeship programs. OA is also responsible for providing technical assistance to 25 State Apprenticeship Agencies and the District of Columbia. These activities all contribute to the FY 2013 ETA priority goal of making job seekers more competitive through credential attainment and meeting employer needs for skilled workers.

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

- Registering apprenticeship programs that meet Federal standards;
- Issuing apprentices nationally recognized and portable certificates of completion;
- Promoting the development and recognition of new programs and occupations;
- Assuring that all programs provide high quality learning;
- Promoting partnerships of Registered Apprenticeship with other Federal programs and agencies including the workforce and education systems;
- Providing oversight and technical assistance to SAAs in 25 States, the District of Columbia and three U.S. Territories; and
- Ensuring equal employment opportunity (EEO) in Registered Apprenticeship programs.

The “Earn and Learn” strategy of Registered Apprenticeship and effective public-private partnership contributes to the Department’s success in achieving the Secretary’s vision of *good jobs for everyone*, the Department’s Strategic Goal 1: prepare workers for good jobs and ensure fair compensation, and the Department’s FY 2013 program emphasis on creating job

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opportunities for the long-term unemployed. (See chart below for how Registered Apprenticeship contributes to the Department’s outcome goals). Across the nation there are over 25,900 active Registered Apprenticeship programs providing apprenticeship opportunities to 400,973 active apprentices.

Secretary’s Strategic Vision of <i>Good Jobs for Everyone</i>	
Strategic Goal 1: Prepare workers for good jobs and ensure fair compensation	Related OA Activities and Strategies
Outcome Goal 1.1 – Increase workers’ incomes and narrowing wage and income inequality.	Registered apprenticeship provides regular wage increases as skills and productivity increase. In FY 2011, the average annual wage for completers of apprenticeship programs was almost \$50,000.
Outcome Goal 1.2 – Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like “green” jobs.	OA continues to provide support and technical assistance to grantee recipients and partnering stakeholders to expand apprenticeship into new and emerging industries that utilize Registered Apprenticeship as a key element to prepare workers for a range of high growth jobs.
Outcome Goal 1.3 – Help workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs.	ETA will issue guidance and provide technical assistance to increase consistency and quality of pre-apprenticeship and apprenticeship preparation initiatives.
Outcome Goal 1.4 – Help middle-class families remain in the middle-class.	ETA has conducted an evaluation to validate State based evidence that completers of Registered Apprenticeship earn significantly more in lifetime earning than comparable job seekers.

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

A fundamental feature and distinction of Registered Apprenticeship programs are the provision of guaranteed wage increases that lead to a competitive salary and sustainable career from the start. Upon completion of a Registered Apprenticeship, workers earn hourly wages and yearly

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salaries that can help them find a path into the middle-class and continue supporting their families.

Apprenticeship completers' average hourly wage is approximately \$25, and the apprenticeship completers' average yearly salary is almost \$50,000. According to a recent study in Washington State, completers of Registered Apprenticeship earn approximately \$225,000 more over the course of their lifetime than comparable job seekers (see <http://www.wtb.wa.gov/Documents/wtr2008summary.pdf>).

Another critical element of Registered Apprenticeship is intensive on-the-job learning combined with related theoretical instruction, which directly translates into apprentices gaining the skills necessary to succeed in today's knowledge-based economy. Building upon Registered Apprenticeship's success in traditional industries such as manufacturing and construction, OA and its partnerships with employers, industry associations, and labor management organizations have expanded Registered Apprenticeship into several high-growth and emerging sectors including biotechnology, energy, health care, information technology, transportation, and green jobs. Although the number of Registered Apprenticeship programs in high-growth industries has been declining over the past several years due to the sluggish economy, OA continues to work with sponsors in these industries and anticipates that apprenticeship numbers will increase as the economy recovers.

Number of Active Programs in High-Growth and Emerging Industries by Fiscal Year			
	Energy	Health Care	Transportation
2004	802	238	111
2005	825	243	90
2006	884	263	104
2007	927	304	117
2008	963	303	132
2009	911	352	139
2010	897	305	141
2011	881	260	127

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

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Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2008	\$21,166	127
2009	\$21,447	127
2010	\$27,784	155
2011	\$27,728	155
2012	\$27,676	155

FY 2013

The FY 2013 Budget request of \$27,728,000 supports 155 direct full-time equivalent (FTE) staff. This represents an increase of \$52,000 from the FY 2012 enacted budget.

Expand Strategic Partnerships and Registered Apprenticeship Opportunities

The National Apprenticeship System will continue to engage in several strategies that support Outcome Goal 1.2: Assuring skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industries, such as advanced manufacturing. A core strategy is conducting outreach to potential apprenticeship sponsors to build partnerships that expand the use of Registered Apprenticeship programs in targeted high-growth industries, with a particular focus on energy sector jobs and health care. Meetings with the Secretary of Labor's Advisory Committee on Apprenticeship (ACA), which includes more than two dozen representatives of employers, labor organizations, and State and local governments and other stakeholders, will support these strategic efforts.

Enhance Registered Apprenticeship Opportunities for Veterans

Building upon efforts begun in FY 2012 to implement the VOW to Hire Heroes Act, as well as the long-standing coordination with military service branches in United States Military Apprenticeship Program (USMAP), the Department will continue activities and programs to connect veterans, transitioning service members, and members of the armed forces with opportunities in registered apprenticeship as potential civilian career paths. Specifically, the Department will implement and then evaluate a redesigned Transition Assistance Program (TAP) curriculum that incorporates a more robust component on Registered Apprenticeship, continue to explore opportunities to expand USMAP into other branches of the military, and pilot programs in the energy and oil industry.

Formalize Pre-Apprenticeship

The Department, in consultation with the ACA, has developed a policy for a national framework that would establish consistency and quality across pre-apprenticeship programs to support Outcome Goal 1.3: Helping workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs. The framework identifies specific minimum elements that should be part of any program that uses the term "pre-apprenticeship." A key part of this framework is

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defining pre-apprenticeship programs as targeted toward low-skill adults and youth, minorities, and women who have not traditionally benefitted from Registered Apprenticeship or who require additional assistance to qualify for available apprenticeship opportunities. In developing and rolling out this framework, the Department has conducted extensive consultations with apprenticeship stakeholders so that it incorporates national guidelines established by industry. As appropriate, direct entry and advanced placement into Registered Apprenticeship programs could be granted for participants in pre-apprenticeship programs that meet the elements established in the national framework and all requirements for selection into available Registered Apprenticeship openings.

The Department will continue the technical assistance efforts and guidance to be issued in FY 2012 to launch this pre-apprenticeship framework to the Registered Apprenticeship, workforce, education systems, and community-based and advocacy organizations that serve individuals participating in pre-apprenticeship programs. These technical assistance efforts and policy guidance build upon recent experience with Green Jobs Innovation Fund (GJIF) grants and emerging partnerships with Job Corps and YouthBuild that indicate successes in placing targeted populations into Registered Apprenticeship programs after they complete pre-apprenticeship programs that specifically address the apprenticeship sponsors' selection requirements. The Department is also conducting an evaluation of Registered Apprenticeship, which will include a component on identifying best practices related to recruiting and retaining women in Registered Apprenticeship.

Implement Revised Regulatory Framework and Provide Technical Assistance

In FY 2009, the Department published a final rule revising regulations for labor standards for registration of apprenticeship programs. ETA will continue to provide technical assistance and direction related to this rule to the Registered Apprenticeship, public workforce system and the education system as they develop and implement new policies and procedures. OA staff will continue to perform the functions and responsibilities associated with the final rule in FY 2013, including conducting additional quality reviews for new programs that are provisionally registered, and developing and registering competency-based or hybrid programs. A competency-based program requires an apprentice to successfully demonstrate acquired skills and knowledge with an on-the-job learning component and related instruction as verified by the program sponsor. A hybrid program requires the apprentice to complete a specified minimum number of hours for training and demonstrate competency in the defined subject areas.

Building upon the efforts to address diversity in Registered Apprenticeship that began in FY 2010 and continue through FY 2013, the Department will seek to revise the National Apprenticeship System's EEO regulations, which have not been revised since 1978. During FY 2013, the Department anticipates analyzing public comments and developing a final rule based on the proposal to update these regulations currently planned for publication in FY 2012. This second phase of regulatory updates seeks to strengthen the EEO and affirmative action obligations of apprenticeship program sponsors, and will ensure that the EEO regulations are consistent and in alignment with the final rule on labor standards for registration of apprenticeship programs. Through these regulatory updates, OA will support the Department's

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efforts to break down barriers to fair and diverse workplaces so that all qualified women and minorities have access to training and employment in Registered Apprenticeship.

Indirect Staff Support

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

The request includes \$2,291,000 in IT costs associated with the on-going maintenance and licensing of new systems developed to improve cost and performance reporting, as well as support for efforts to improve open government and e-government. The funds will also be used to migrate State systems into the Registered Apprenticeship Partners Data Information System (RAPIDS) used for case management. The Department measures *outcomes* for the National Apprenticeship System through the common measures, which track employment outcomes for workers who either completed or cancelled from an apprenticeship program. These three indicators demonstrate how the *outputs* translate into the *apprentices' outcomes*: getting a good job, retaining that good-paying job, and earning family-sustaining wages.

Enhance Registered Apprenticeship Opportunities for Veterans and Transitioning Service Members

As part of the Department's efforts to implement the VOW to Hire Heroes Act of 2011, OA and the Department's Veterans' Employment and Training Service are coordinating a redesign of the TAP curriculum to include a detailed section on Registered Apprenticeship and pre-apprenticeship. Additionally, the Department is exploring options to coordinate with the Department of Defense and the Military Service Branches to expand opportunities for in-service and transitioning service members to participate in the USMAP, as well as targeted initiatives in the energy and oil industry. These coordinated efforts will provide members of the armed forces with the access to registered apprenticeship opportunities that can help them transition to meaningful employment and career paths in high growth and emerging industries.

FY 2012

The FY 2012 Budget request of \$27,676,000 supports 155 direct full-time equivalent (FTE) staff. This represents a decrease of \$52,000 from the FY 2011 enacted budget. Savings were achieved through decreases in funding levels for travel and supplies and materials.

Formalize Pre-Apprenticeship

The Department has finalized a quality framework for pre-apprenticeship programs and strategies to ensure sustainable career pathways that link to Registered Apprenticeship programs and sponsors. Guidance for this framework will be published and supporting technical assistance

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strategies will be provided to the workforce, Registered Apprenticeship, and education systems, and to community-based and faith-based organizations seeking linkages with Registered Apprenticeship programs.

Implement Revised Regulatory Framework and Provide Technical Assistance

The revised rule for labor standards for registration of apprenticeship programs took effect on December 29, 2008, and provided SAAs with up to an additional two years from the effective date to implement necessary changes. In FY 2011, SAAs submitted applications for recognition, as required under the revised rule. A key activity during FY 2012 will be coordinating with SAAs to address issues in these applications for recognition. OA anticipates granting recognition status to most of the 25 SAAs during FY 2012 that submitted their applications during FY 2011.

During FY 2012, the Department anticipates issuance of a proposal to update Apprenticeship EEO regulations. This proposal was developed with considerable stakeholder consultation, including the ACA. Following publication of the proposed revisions to Apprenticeship's EEO regulations, key activities will include analyzing public comments and developing a proposed final rule.

Expand Registered Apprenticeship Opportunities in Green Jobs

Registered apprenticeship play a key role in efforts to prepare workers for emerging green jobs, and to identify career pathways that support underrepresented populations access to these jobs. A significant portion of the Green Jobs Innovation Fund (GJIF) grant funds awarded in FY 2011 and being implemented through innovative programs in FY 2012 will expand linkages between pre-apprenticeship programs to Registered Apprenticeship programs, community colleges, and other qualified training programs.

FY 2011

The FY 2011 appropriation of \$27,728,000 supported 151 FTE. The National Apprenticeship System's accomplishments in FY 2011 for both OA and SAA States include:

- **50,000 Credentials Issued:** 53,026 program participants nationwide completed their apprenticeship and received a nationally recognized credential that is portable, stackable, and can provide a pathway to the middle class.
- **130,000 New Apprentices = 130,000 Jobs:** 130,466 new apprentices nationwide started Registered Apprenticeship programs, an increase of 30 percent over the FY 2010 numbers of 100,000 new apprentices. This equates to over 100,000 individuals entering jobs or returning to work, since Registered Apprenticeship is an "earn while you learn" model that combines employment with on-the-job learning and related technical instruction.
- **Earning Increase:** Workers in apprenticeship programs appear to be **earning more**. Apprentices' average earnings over a 6-month period were 10% higher in the quarter ending September 30, 2011 (the most current timeframe for which data are available) compared with the same period in the previous year (September 30, 2010).

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Other significant outcomes, activities and initiatives for FY 2011 included:

- **\$50,000 Annual Earnings for Program Completers:** Program completers earned an average annual salary of approximately \$50,000 per year with many earning much more.
- **High Growth and Emerging Industries:** Of the 858 new programs registered by OA staff, 736 were in high growth and emerging industries. Additionally, two-thirds of the top 25 occupations ranked by total number of active apprentices (17 out of 25 occupations) were in Green occupations, as defined by O*NET.
- **New Occupations:** Approved several new apprenticeable occupations in high growth industries including Home Performance Laborers, Energy Auditor and Analyst (Existing Homes), Geothermal and Well Drilling Operator, and others.
- **Partnerships:** Conducted a virtual “Action Clinic” for ETA’s Regions 2 and 3 to bring together State teams with representatives from workforce, education and Registered Apprenticeship systems to develop action plans that promote expanded partnerships and collaboration.
- **Revised Regulations:** Continued to work closely with program sponsors and SAAs to implement revised regulations for labor standards for registration of apprenticeship programs. In addition, OA staff consulted with stakeholders to better inform development of proposed revisions to Registered Apprenticeship’s EEO regulations.
- **EEO Compliance Reviews and Quality Assurance Assessments:** Exceeded numeric targets for EEO compliance reviews and Quality Assurance Assessments, completing over 2,800 reviews at an average review cost of approximately \$100 per review.

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DETAILED WORKLOAD AND PERFORMANCE				
	FY 2011 Enacted		FY 2012 Enacted	FY 2013 Request
	Target	Result	Target	Target
Apprenticeship				
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.1 - Increase workers' incomes and narrow wage and income inequality.	--	--	--	--
Six Month Average Earnings	\$19,077.00	\$22,210.00	\$19,352.00	\$19,999.00
Active Apprentices	340,765	283,469 (r)	286,304	289,167
EEO Reviews	530	745	584	600
Quality Reviews	1,060	1,433	1,168	1,400
New Programs	600	858	662	700
Quality Reviews for new programs one year after provisional registration since December 28, 2008	435	651	475	500
Cost per Apprentice	\$85.00	\$98.00	\$96.00	\$96.00
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.3 - Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	--	--	--	--
National Completion Rate: the percentage of an apprenticeship cohort who receives a certificate of apprenticeship completion within one year of the expected completion date.	--	--	--	40.00%
Strategic Goal 1 - Prepare workers for good jobs and ensure fair compensation.	--	--	--	--
Outcome Goal 1.4 - Help middle-class families remain in the middle class.	--	--	--	--
Employment Retention Rate	78.90%	84.00%	79.10%	79.60%

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined
 (r) = The FY 2011 target for Active Apprentices (340,765) included OA Federal workload and apprentices registered by SAAs participating in the Department's Registered Apprenticeship Partners Information Data System (RAPIDS.) The SAA numbers have been eliminated and the FY 2011 Actual Results have been revised downwards to provide a more accurate view of active apprentices managed by a Federal-only workload.

Workload and Performance Summary

The National Apprenticeship System's *critical input* is the FTE allocated to OA and *critical outputs* are: (1) the numbers of active and new apprentices registered; (2) the number of EEO compliance reviews conducted; (3) the number of quality assurance assessments conducted; (4) the number of new apprenticeship programs registered; and, (5) the number of quality assurance

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assessment reviews for new programs conducted one year after provisional registration, as required by revised regulations. These five categories of outputs translate into measures of workload for OA's FTE.

Using strategies to expand strategic partnerships – increase Registered Apprenticeship opportunities in high-growth and emerging industries, formalize pre-apprenticeship and implement the National Apprenticeship System's revised regulatory framework – the Department will produce the outputs described in the table Detailed Workload and Production Table above. The Department will monitor and evaluate how these strategies contribute to the achievement of the Strategic Goal of preparing workers for good jobs and ensuring fair compensation by periodically reviewing the industries and occupations where new apprenticeship programs are being registered, with a focus on those in high growth and emerging industry sectors.

The revised rule Title 29 CFR part 29 includes a new section, §29.6, Program Performance Standards, that focuses on improving the quality and performance of Registered Apprenticeship programs. This section includes the definition and use of completion rates. Completion rate means the percentage of an apprenticeship cohort who receives a certificate of apprenticeship completion within one year of the expected completion date. An apprenticeship cohort is the group of individual apprentices registered to a specific program during a one year time frame, except that a cohort does not include the apprentices whose apprenticeship agreement has been cancelled during the probationary period. The FY 2013 target for the National Completion Rate – a new measure – is 40%.

The Department measures *outcomes* for the National Apprenticeship System through indicators of employment retention and six months average earnings for participants employed in the first quarter after exit still employed in the second and third quarter after exit that either completed or cancelled from their program. These two indicators demonstrate how the *outputs* of registering new apprentices and apprenticeship programs and ensuring quality in existing programs through reviews and assessments, translate into the *apprentices' outcomes* for getting a good job, retaining that good-paying job, and earning increased wages.

Over several years, the Department has found that the cost per apprentice ranges between \$80 and \$100, depending on sponsor demand for new apprentices. This measure is derived by dividing the budget request amount by the projected number of apprentices for a given year. The cost per apprentice is for the Federal functions of oversight and registration of apprenticeship programs and apprentices; it does not reflect the cost of the programs themselves, which are generally borne by the sponsor.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY13 Req./ FY12 Enacted
11.1	Full-time permanent	14,234	14,527	14,689	162
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	317	144	145	1
11.9	Total personnel compensation	14,551	14,671	14,834	163
12.1	Civilian personnel benefits	4,097	4,205	4,235	30
13.0	Benefits for former personnel	10	7	7	0
21.0	Travel and transportation of persons	513	300	300	0
22.0	Transportation of things	4	2	2	0
23.1	Rental payments to GSA	1,338	1,363	1,458	95
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	187	221	221	0
24.0	Printing and reproduction	34	74	74	0
25.1	Advisory and assistance services	736	697	461	-236
25.2	Other services from non-Federal sources	40	77	77	0
25.3	Other goods and services from Federal sources 1/	3,556	3,386	3,386	0
25.4	Operation and maintenance of facilities	3	60	60	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	2,153	2,291	2,291	0
26.0	Supplies and materials	403	158	158	0
31.0	Equipment	96	124	124	0
42.0	Insurance claims and indemnities	7	40	40	0
	Total	27,728	27,676	27,728	52
	1/Other goods and services from Federal sources				
	Working Capital Fund	3,476	3,304	3,304	0
	DHS Services	80	82	82	0

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CHANGES IN FY 2013

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$107
Personnel benefits	15
One day more of pay	71
Federal Employees Compensation Act (FECA)	0
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	95
All Other Rental	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services	0
Working Capital Fund	0
Other government accounts (Census Bureau)	0
Other government accounts (DHS Charges)	0
Other purchases of goods and services from Government accounts	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$288**

Net Program **-\$236**

Direct FTE **0**

	Estimate	FTE
Base	\$27,964	155
Program Decrease	-\$236	0

EXECUTIVE DIRECTION

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY 13 Req. / FY 12 Enacted
Budget Authority	9,148	9,131	9,149	18
FTE	41	47	47	0

NOTE: FY 2011 reflects actual FTE. Authorized FTE for FY 2011 was 47.

Introduction

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

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

- 1.1 Increase workers’ incomes and narrowing wage and income inequality.
- 1.2 Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high growth and emerging industry sectors like “green” jobs.
- 1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs.
- 1.4 Help middle-class families remain in the middle class.

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

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

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

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

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

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The programs also address the following Priority Goals:

- Improve opportunities for America's workers to succeed in a knowledge-based economy through industry-recognized credentials. By September 30, 2013, increase the percent of training program exiters who earn industry-recognized credentials by 10 percent. The following programs will contribute to this goal:
 - WIA Adult Program
 - WIA Dislocated Worker Program
 - WIA Dislocated Worker – National Emergency Grants
 - WIA Youth Program
 - Trade Adjustment Assistance (TAA) Program
 - Job Corps
 - Registered Apprenticeship
 - YouthBuild
 - Competitively Awarded Job Training Grants

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

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

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

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Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2008	\$8,078	52
2009	\$8,078	47
2010	\$9,166	47
2011	\$9,148	47
2012	\$9,131	47

FY 2013

The FY 2013 request of \$9,149,000 supports 47 FTE to continue work on ETA and Departmental initiatives including policy and legislative functions associated with implementation of WIA reauthorization, support for executing the agency's regulatory agenda, providing critical leadership to the agency on policy and regulatory issues, and project management for continuing evaluation efforts. This leadership and support is critical to the program offices as they implement their strategies to achieve the Department's performance goals.

Through the active engagement of the Office of the Assistant Secretary for Employment and Training (ASET) and the Office of Policy Development and Research (OPDR), ETA leadership, office administrators and program officials are given actionable intelligence to help assist them in assessing and improving the operation, effectiveness, and efficiency of the public workforce system.

This intelligence is obtained by OPDR conducting pilots, demonstrations, research and evaluations in cooperation with the Department's Chief Evaluation Office; interpreting the findings, conclusions and recommendations into usable information; and disseminating reports and summaries to inform policy and program decision-making. Pilots and demonstrations of promising workforce development interventions and strategies enable ETA to determine if they are effective means of providing job training and can be replicated and brought to scale. Rigorous evaluations enable ETA to measure the impact of existing workforce development strategies.

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

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

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FY 2012

In FY 2012, the appropriation of \$9,131,000 supports 47 FTE to continue work on ETA and Departmental initiatives including policy and legislative functions; performance planning and reporting; support for executing the agency's regulatory agenda; providing leadership to the agency on policy and regulatory issues; dissemination of ETA supported research and evaluations; releasing guidance to the workforce system; and planning and project management for new and continuing research, demonstration, and evaluation efforts. This leadership and support is critical to the program offices as they implement their strategies to achieve the Department's performance goals.

Significant OPDR activities during FY 2012 include:

- Coordinating ETA's implementation of several provisions of the VOW to Hire Heroes Act of 2011;
- Providing technical and legislative support to Congress as they work towards reauthorization of the Workforce Investment Act and Older Americans Act;
- Monitoring and developing ETA's strategic and program performance plans and targets, and disseminating performance results;
- Coordinating efforts on wage record information exchanges and development of longitudinal data systems;
- Disseminating lessons learned from pilot to share aggregate wage information with WIA workforce partners;
- Supporting the development of regulations as outlined in the Regulatory Agenda;
- Transmitting to Congress the revised *Five-Year Strategic Research Plan for Pilots, Demonstrations, and Evaluations (Research Plan)*, as required by Section 171 of the Workforce Investment Act (WIA);
- Developing the first ETA Five-Year Learning Agenda in collaboration with the Department's Office of the Chief Evaluation Officer; and,
- Finalizing and disseminating six research and evaluation reports.

FY 2011

The FY 2011 appropriation of \$9,148,000 supported 41 FTE. The appropriation is financed by both General Revenue and Trust Funds. The Executive Direction budget activity included funding for the Federal staff responsible for the activities described above in the introduction.

In support of ETA, during FY 2011 OPDR:

- Developed background, analytical documents, and technical assistance used by Congress to inform the successful reauthorization of the Trade Adjustment Assistance program.
- Coordinated responses to or contributed to over 20 ETA-related Government Accountability Office studies and responded to over 600 Congressional inquiries.

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- Hosted approximately 100 international visitors representing 27 countries and shared information about the workforce investment system, green jobs, improving program evaluation, and promising practices for better serving veterans.
- Disseminated 129 ETA Advisories to provide guidance or information used by 50,000+ members of the workforce development system and stakeholders on topics including guidance on funding allotments, Unemployment Insurance, Trade Adjustment Assistance, and American Recovery and Reinvestment Act activities.
- Published 554 Federal Register Notices (FRN) in the Federal Register. The published FRNs included but were not limited to information collection requests, notices of proposed rulemaking, final rules and solicitation for grant application announcements.
- Provided extensive technical assistance to the Senate HELP Committee staff to support the drafting of Workforce Investment Act reauthorization legislation, an administration priority, and provided substantial information to both houses to support the reauthorization process.
- Researched gaps and identified high priority research topics in employment and training for the draft ETA Five-Year Research and Evaluation Strategic Plan.
- Disseminated 19 and conducted 10 briefings for research and evaluation interim/final reports on the ETA Research Database on topics such as reemployment, earnings progression, privatization and employment in the implementation of Temporary Assistance to Needy Families, and Veterans Priority of Service.
- Announced and awarded \$12.2 million to 13 States through the Workforce Data Quality Initiative. These funds enable States to build or expand longitudinal databases of workforce data that also link to education data.
- Awarded 11 grants totaling \$45,200,000 for demonstration projects on Enhanced Transitional Jobs Program (7 grants for \$39,700,000) and the Young Parents Demonstration Program (4 grants for \$5,500,000) and provided technical assistance to existing demonstration grantees.
- Developed four tripartite data-sharing agreements for the Project Growing America through Entrepreneurship II grants to use Administrative Unemployment Compensation data for the evaluation.
- Initiated new evaluations or conducted activities such as randomization for the WIA Gold Standard, Job Corps, Youth Build, Enhanced Transitional Jobs, Self-Employment and Registered Apprenticeship and conducted activities to facilitate data collection through the Office of Management and Budget and implement the studies.
- Completed and posted the online tutorial for the Workforce Investment Act Standardized Record Data (WIASRD) to help States and local areas understand the data fields in the WIASRD to improve performance outcome reporting. Completed the clearance process and started the initial roll-out of the Wage Record Interchange System 2 (WRIS 2) which extends the WRIS data sharing model to One-Stop Career Center partner programs such as education programs.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY13 Req./ FY12 Enacted
11.1	Full-time permanent	4,974	5,066	5,101	35
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	109	51	51	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	5,083	5,117	5,152	35
12.1	Civilian personnel benefits	1,387	1,491	1,499	8
13.0	Benefits for former personnel	2	2	2	0
21.0	Travel and transportation of persons	92	70	70	0
22.0	Transportation of things	0	1	1	0
23.1	Rental payments to GSA	617	627	671	44
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	70	68	68	0
24.0	Printing and reproduction	13	100	100	0
25.1	Advisory and assistance services	324	283	214	-69
25.2	Other services from non-Federal sources	31	23	23	0
25.3	Other goods and services from Federal sources 1/	940	905	905	0
25.4	Operation and maintenance of facilities	1	4	4	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	498	307	307	0
26.0	Supplies and materials	39	97	97	0
31.0	Equipment	48	36	36	0
42.0	Insurance claims and indemnities	3	0	0	0
	Total	9,148	9,131	9,149	18
	1/Other goods and services from Federal sources				
	Working Capital Fund	903	867	867	0
	DHS Services	37	38	38	0

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CHANGES IN FY 2013

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$19
Personnel benefits	5
One day more of pay	19
Federal Employees Compensation Act (FECA)	0
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	44
All Other Rental	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services	0
Working Capital Fund	0
Other government accounts (Census Bureau)	0
Other government accounts (DHS Charges)	0
Other purchases of goods and services from Government accounts	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$87**

Net Program **-\$69**

Direct FTE **0**

	Estimate	FTE
Base	\$9,218	47
Program Decrease	-\$69	0