

**FY 2014**

**CONGRESSIONAL BUDGET JUSTIFICATION**

**EMPLOYMENT AND TRAINING ADMINISTRATION**

**Overview**



# EMPLOYMENT AND TRAINING ADMINISTRATION

## TABLE OF CONTENTS

Overview.....	1
New Initiatives .....	2
ETA Budget Themes and High Priority Goals .....	3
Evaluation Set-Aside .....	4
Cost Model.....	5
Executive Summary .....	6
Performance Management .....	9
Workforce Investment Act Reauthorization .....	14
OMB Management Initiatives and IT Savings .....	16
Performance Structure .....	22
Organization Chart.....	23



## EMPLOYMENT AND TRAINING ADMINISTRATION

The mission of the Employment and Training Administration (ETA) is to contribute to the more efficient functioning of the U.S. labor market by providing high quality job training, employment, labor market information, and income maintenance services primarily through state and local workforce development systems. The achievement of this mission is critical to meet the labor market needs of working families that continue to struggle in difficult economic times.

According to the Bureau of Labor Statistics (BLS), as of February 2013, the total unemployment rate was 7.7 percent, the number of unemployed persons was 12 million, and the number of long-term unemployed (those jobless for 27 weeks and over) was 4.8 million. Those individuals made up 40.2 percent of the unemployed persons. Additionally, there were 885,000 discouraged workers who are not counted as unemployed. These workers are persons who are not currently looking for work, because they believe there are no jobs available for them. In 2012, employment growth averaged 181,000 per month.

ETA workforce programs play a critical role in realizing the Department of Labor's (Department) vision of *Good Jobs for Everyone* by supporting the following strategic goals and related outcome goals:

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.
- 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.
- Outcome Goal 1.5: Secure wages and overtime.

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.

To achieve these goals, ETA is committed to serving American workers through high-quality services including job training and career counseling, income maintenance services, connections to the labor market, and efforts to reach vulnerable populations. In Fiscal Year (FY) 2014, ETA will continue to move the public workforce system towards greater performance and accountability and to identify specific and measurable priority goals and performance indicators for improvement. This approach will allow ETA to maximize the impact of limited taxpayer dollars and increase the efficacy and cost-effectiveness of the public workforce system.

# EMPLOYMENT AND TRAINING ADMINISTRATION

## New Initiatives for FY 2014

This Budget provides funding for states to implement or expand a short-term compensation, or “work sharing” program to help employers retain skilled workers rather than lay them off, and provide unemployment assistance to workers with reduced hours.

In response to the American Jobs Act (AJA) and other Administration initiatives, ETA is planning for the implementation of new programs that will allow the agency to more efficiently serve Americans through the public workforce system. For more information on the initiatives proposed through AJA, including Pathways Back to Work and Reemployment NOW, see the corresponding section of this Budget submission.

In addition, the budget proposes the establishment of a new Universal Displaced Workers program also covered in detail in the Budget submission.

One additional proposal, to be jointly administered by the U.S. Department of Labor and the U.S. Department of Education, is described below.

### Community College to Career Fund

Community colleges play a unique role in creating a flexible, highly-skilled 21st-Century workforce to help businesses meet the specific emerging needs in their regions. The 2014 Budget proposes \$8 billion for a new Community College to Career Fund beginning in FY 2015. This initiative would help forge new partnerships between community colleges and businesses to train two million workers for good-paying jobs in high-growth and high-demand industries. Jointly administered by the U.S. Department of Labor and the U.S. Department of Education, this program would provide funding for community colleges, states, localities, and intermediary organizations to partner with businesses to train workers in a range of high-growth and in-demand areas, such as health care, transportation, and advanced manufacturing. The program will expand and improve upon the work begun through existing Trade Adjustment Assistance Community College and Career Training (TAACCCT) grants by:

- Supporting and evaluating community-college based training programs, including sectoral training, that prepare workers for jobs in high-growth and high-demand sectors. The new CCCF program will look to support promising models and build evidence of their effectiveness, as well as provide funding to expand proven models.
- Growing skilled jobs in America by investing \$500 million to help businesses create jobs and find the workers they need in this country. This interagency initiative would partner with state and local governments to encourage businesses to invest and create jobs in America through the use of training resources to quickly skill up the local workforce to meet companies’ needs.
- Emphasizing strong employer engagement in the development of programs to ensure that programs advance students that meet employer needs. The program will provide support for regional or national industry sectors to develop skills consortia that will identify pressing workforce needs and develop solutions such as standardizing industry certifications, development of new training technologies, and collaborations with industry

## EMPLOYMENT AND TRAINING ADMINISTRATION

employers to define and describe how skills can translate to career pathways, and creating competency-based assessments that can give credit for prior learning and accelerate time to credential.

- Expanding work-based training and other “earn and learn” opportunities that allow students to earn credit while gaining relevant employment experience in a high-wage, high-skill field. One important goal of strong employer engagement and sector-focused training models is providing students with more experience working in the target occupation of training.
- Promoting and expanding efforts to make data on student outcomes, including employment and earnings, available by program of study. The program will require all applicants to take steps towards making more data on student outcomes available online in an accessible format.
- Piloting pay-for-performance strategies to provide incentives for training providers, community colleges, and local workforce organizations to ensure trainees find permanent jobs.

This program also will expand the eligible recipients to include intermediary organizations, who can play a key role in working with community colleges and businesses to develop programs that meet the needs of businesses and provide participants the opportunity to engage in work-based training. Additionally, unlike TAACCCT, this program will not require that all states receive a minimum percentage of the funding.

### **ETA Budget Themes and High Priority Goals**

Overall budgetary themes support the overarching theme of *Built to Last: An American economy Built on Skills for American Workers*. The ETA priorities for FY 2014 are:

#### **1. Helping Job Seekers Compete in Today’s Labor Market by Increasing Credential Attainment**

- Increase the percentage of customers who enroll in training leading to a credential in ETA’s competitively awarded job training grants.
- Promote tailored training strategies that improve education and employment outcomes in training programs.
- Place a high priority on the Adult and Dislocated worker formula-funded programs under the Workforce Investment Act.
- Collaborate with the public workforce system to focus on STEM training, and ensure access to bridge programs and career pathways that allow them to succeed in STEM training.
- Advance strategies and leverage Federal, state and local resources to improve outcomes for disconnected youth.

#### **2. Strengthening the Safety Net to Facilitate Reemployment through the Unemployment Insurance (UI) and proposed Universal Displaced Workers (UDW) Program**

- OUI will place a priority on program integrity, especially improper payments, and claimant reemployment.

## EMPLOYMENT AND TRAINING ADMINISTRATION

- The UDW program will combine the best elements of two more narrowly targeted programs to provide a safety net to all displaced workers, regardless of the reason for their job loss.

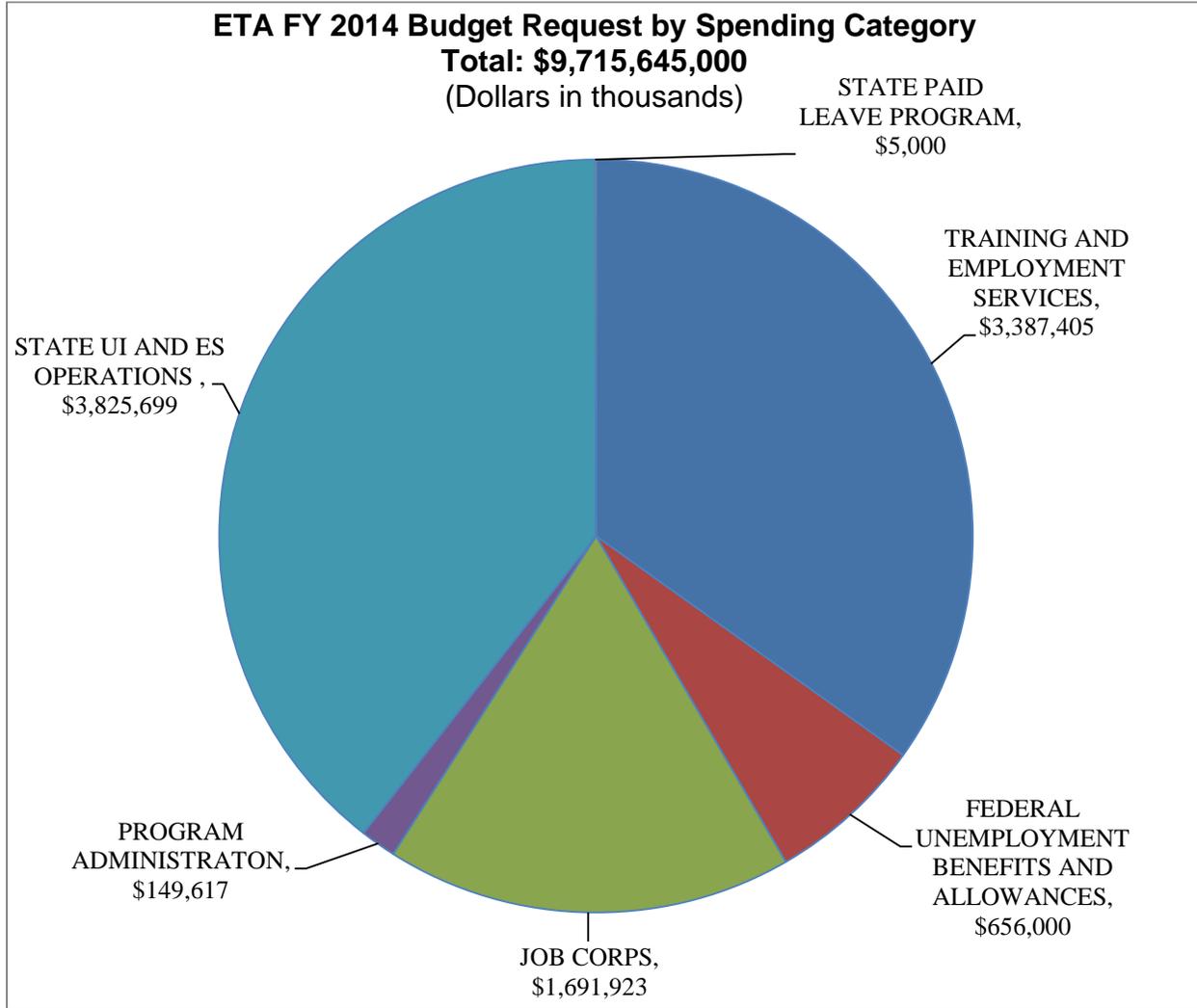
**Serving the Dual Customer.** The Office of Foreign Labor Certification (OFLC) will place a high priority on processing employer applications for jobs requiring higher-level degrees and skills, particularly those in STEM-related occupations, and low-skilled temporary jobs in agriculture and nonagricultural occupations.

### **Evaluation Set-Aside**

In FY 2014, the Department requests continued use of a set-aside funding mechanism first funded in the FY 2012 appropriation to finance evaluations for employment and training programs. The set-aside approach for evaluations is intended to ensure that sufficient funding is available to carry out comprehensive and rigorous research and evaluations and to promote greater stability of funding of these efforts across all training and employment programs, including the Training and Employment Services, Office of Job Corps, State Unemployment Insurance and the Employment Service. Specifically, the Department is requesting that up to one percent of the amounts appropriated for these programs are made available to support this effort. Evaluation and applied research activities funded through this set-aside approach will be conducted by ETA in consultation with the Department's Chief Evaluation Officer (CEO).

# EMPLOYMENT AND TRAINING ADMINISTRATION

## Cost Model



# EMPLOYMENT AND TRAINING ADMINISTRATION

## Executive Summary

ETA requests a total of \$9,715,645,000, including \$9,059,645,000 for discretionary programs and \$656,000,000 for mandatory programs (excluding Advances to the Unemployment Trust Fund as well as the Trade Adjustment Assistance Community College and Career Training Grant Funds). This proposed funding level supports plans to accomplish ETA's mission while supporting the Administration's request to make hard investment choices to increase the impact and effectiveness of the public workforce system.

Highlights of the FY 2014 Budget are listed below. The proposed funding changes also are recapped in the Summary of Changes.

## Training and Employment Services

The funding request level for TES is \$3,387,405,000. Funding at this level would allow for:

- The requested funding for the WIA Adult, Youth and Dislocated Worker formula programs will support an increase in the statewide reserve allocation from 5 to 7.5 percent without reducing the amount of funding allocated to local areas. For the past three years (2011- 2013), states have been limited to a maximum of five percent of WIA formula funds to carry out required statewide activities, such as site monitoring, audits, and technical assistance to low performing areas. Continued funding at the capped five percent level could result in less rigorous oversight and increased fiscal risk.
  - o \$791,644,000 for WIA Adult Employment and Training Activities. In 2014, it will be critical to continue to provide unemployed job seekers and underemployed workers the services they need to find new jobs. However, the impact of the recession resulted in much higher rates of unemployment among disadvantaged and low-skilled adults. The immediate employment and training needs of low-skilled adults must be addressed to prevent this disadvantaged population from slipping further out of the middle class.
  - o \$1,266,349,000 for WIA Dislocated Worker Employment and Training Activities, including the National Reserve. This request includes \$1,045,490,000 in DW formula funds and \$220,859,000 for the National Reserve to continue to meet unanticipated increases in demand for employment and training services throughout the country. The request eliminates funding for the Mass Layoff Survey, as that will also be eliminated in Department's request for the Bureau of Labor Statistics.
  - o \$846,632,000 for WIA Youth Employment and Training Activities. These funds will serve an estimated 245,000 low-income youth who face barriers to employment. Increased statewide reserve funding will increase oversight and accountability activities and help improve performance in targeted local areas.
  - o \$150,000,000 for the Workforce Innovation Fund. During the fourth year of WIF implementation, the Department will continue to test innovative strategies and replicate evidence-based practices in the workforce system, emphasizing cross-program collaboration and bold systemic reforms to improve education and employment outcomes for participants. This new funding round will be informed

## EMPLOYMENT AND TRAINING ADMINISTRATION

by key lessons learned during the earlier competitions to maintain the effectiveness of grant-making.

- \$90,238,000 for the Reintegration of Ex-Offenders program. This funding level will support up to 15,000 participants. In 2014, DOL will place a renewed emphasis on evidence in the Reintegration of Ex-Offenders program. In particular, DOL will devote \$50,000,000 to test and replicate innovative and evidence-based strategies to serve youth offenders and \$10,000,000 to fund “Pay for Success” demonstrations designed to reduce recidivism, increase education and certification attainment, and improve employment outcomes. By 2014, the initial impacts of the RExO-Adult random assignment evaluation will be known, and the Enhanced Transitional Jobs Demonstration, of which ex-offenders are a target population, will be well underway. Lessons learned from these evaluations will be used to support efforts to better serve returning ex-offenders through Adult Ex-Offender grants.
- \$47,562,000 for the Indian and Native American training program. At this funding level, the program will serve approximately 32,000 unemployed and under-skilled Indian, Alaskan Native, and Native Hawaiian adults. Intensive training and support services are needed to enhance employment opportunities and help these indigenous communities succeed in a competitive job market.
- \$84,291,000 for the Migrant and Seasonal Farmworker program. These funds will serve approximately 18,300 participants with core, intensive, training and supportive services to increase their skills and help them attain greater economic stability.
- \$79,689,000 for the YouthBuild program. This level of funding will allow the YouthBuild program to continue its work in assisting youth who have dropped out of high school to acquire the skills necessary for long-term career employment. After the statutory five percent set-aside for technical assistance, \$75,704,550 will be used to fund grant awards to 75 programs serving approximately 5,200 youth over a two-year period with an average cost per participant of \$15,300.
- \$25,000,000 for Pilots, Demonstrations, and Evaluation. This funding level will allow ETA to pilot and rigorously evaluate potential low-cost structural changes to the public workforce investment system that will substantially improve services to seniors.
- \$6,000,000 for Workforce Data Quality Initiative. This funding will be used to support up to six states in expanding their workforce data systems.. The WDQI will coordinate closely with the Workforce Investment Fund to support the data system needs of innovative workforce system projects.

### State Unemployment Insurance and Employment Services Operations (SUIESO)

The funding request level for the SUIESO account is \$3,825,699,000, a decrease of \$261,234,000 from the FY 2012 enacted amount. This proposed funding level reflects lower unemployment insurance workloads under improving economic conditions. The SUIESO account is comprised of the following budget activities:

- Unemployment Insurance (UI). The request level for UI is \$2,917,872,000 and includes \$11,297,000 for UI National Activities, \$80,000,000 for Reemployment Eligibility Assessments, and a new \$25,000,000 grant program for administration of demonstration projects to improve the employment outcomes of UI claimants.

## EMPLOYMENT AND TRAINING ADMINISTRATION

- Employment Service (ES). The request level for ES is \$751,754,301.
- Foreign Labor Certification (FLC). The request level is \$65,600,000, including \$50,500,000 for Program Administration and \$15,099,000 for State Grants.
- E-Tools/Workforce Information/Capacity Building. The request level is \$90,473,000.

### Job Corps

The funding level for the Job Corps account is \$1,691,923,000 a decrease of \$11,024,000 from the 2012 enacted level, and includes the following budget activities:

- Operations. The request level is \$1,586,776,000. This request includes a transfer to USDA for funding the operations and administration of the 28 Civilian Conservation Centers operated by the USDA Forest Service. Funding at this level will enable the Office of Job Corps to execute all programs and services under the Department's Strategic Goal of *preparing workers for good jobs and ensure fair compensation*.
- Construction. The request level is \$75,000,000. The request will enable Job Corps to address CRA needs, which include the construction and rehabilitation of facilities; repair and upgrade of life, safety and health deficiencies; and, modernization of education and training buildings.
- Program Administration. The request level is \$30,147,000. This request will provide for 168 full-time equivalent (FTE) positions. This program increase includes inflationary increases of \$415,000 and \$655,000 for 5 FTE providing financial oversight and monitoring of the Job Corps program.

### Program Administration

ETA is requesting \$149,617,000 for Program Administration and 780 FTE. ETA has identified several priority activities for 2014, including enhancing the competitiveness of workers and maintaining a strong and viable social safety net. Maintaining the ETA workforce at the current enacted funding level will provide the oversight and technical assistance necessary to support these high-priority activities. In addition, while at a lower rate, ETA will continue to invest in information technology (IT) systems to ensure that the critical work of accounting for funds and evaluating performance is not interrupted. ETA staff also will have a continued focus on increasing the number of adults who complete training and acquire an industry recognized credential.

### Federal Unemployment Benefits and Allowances (FUBA)

The Trade Adjustment Assistance Extension Act of 2011 (TAAEA or 2011 Amendments) was signed into law on October 21, 2011. This legislation restored nearly all of the provisions of the Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA). The FY 2014 request for FUBA is \$656,000,000 under current law, which assumes the TAA program will revert to operation under the 2002 Amendments on January 1, 2014, with the eventual sunset of the TAA Program on December 31, 2014. The Budget also proposes a new Universal Dislocated Workers program to streamline, reform and modernize the way the job training system assists laid off

## EMPLOYMENT AND TRAINING ADMINISTRATION

workers get training to transition to new careers, establishing a set of reemployment, retraining, and other services tailored to help every dislocated worker find a new job.

### Community Service Employment for Older Americans

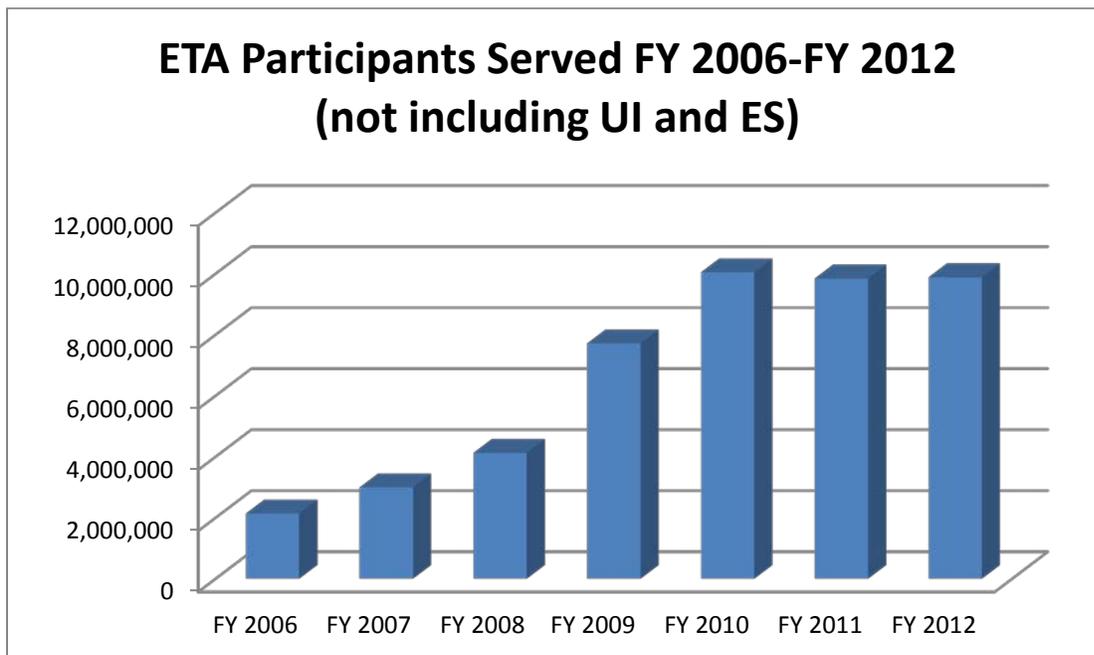
The Budget proposes to transfer the Senior Community Service Employment Program (SCSEP) from ETA to the Administration for Community Living in the U.S. Department of Health and Human Services to improve coordination with other senior-serving programs.

### State Paid Leave Fund (SPLF)

ETA is requesting \$5,000,000 for the SPLF, which provides grants and contracts to assist state with planning and start-up activities relating to state family paid leave programs.

### Performance Management in the Employment and Training Administration

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



## EMPLOYMENT AND TRAINING ADMINISTRATION

Overall, the number of individuals served in ETA’s employment and training programs increased between Fiscal Year 2006 and Fiscal Year 2012 from just over two million participants to almost 10 million, as shown in the bar chart above.<sup>1</sup> The total number of participants peaked in FY 2010, which coincides with the peak of the recent recession. These numbers include participants in all ETA programs except the Unemployment Insurance and Wagner-Peyser Act Employment Service programs. The chart includes WIA Adult, Dislocated Worker, and Youth; National Emergency Grants; the National Farmworker Jobs Program; Indian and Native American Programs; Registered Apprenticeship; Community Service Employment for Older Americans; Trade Adjustment Assistance; Reintegration of Ex-Offenders – Adult; the Youthful Offender Initiative; the High-Growth Job Training Initiative; American Recovery and Reinvestment Act (ARRA) High Growth and Emerging Industries Grants; the Green Jobs Innovation Fund Grants; Job Corps<sup>2</sup>; YouthBuild; and the Community-Based Job Training Grants.

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



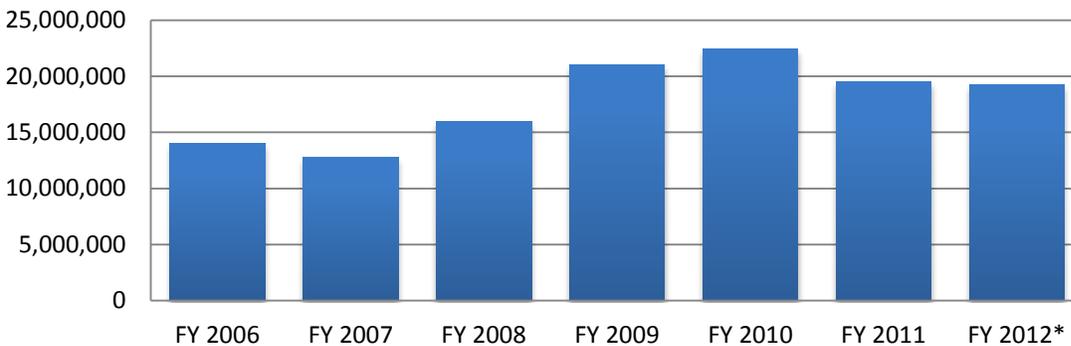
<sup>1</sup> While Fiscal Year (FY) is cited in this section, most of the employment and training programs are administered by Program Year (PY). Most PY programs start in July of the following calendar year.

<sup>2</sup> The Office of Job Corps was reintegrated into ETA in FY 2010.

## EMPLOYMENT AND TRAINING ADMINISTRATION

As indicated in the chart above, 72 percent of the individuals served by ETA programs (excluding UI and ES) are registered in the WIA Adult program. The other 28 percent of participants were served in FY 2012 by the other eight programs. Among these programs, WIA funds also account for the majority of the funding. WIA Adult program participation increased from 1,059,755 in FY 2006 to 7,116,436 through September 30, 2012. Initially, the increases were primarily attributable to the inclusion of self-service participants and individuals co-enrolled in both WIA Adult and the Employment Service, who receive more than core services through the American Job Center network system. In FY 2009 and through FY 2012; however, participation has dramatically increased due to increased demand for services caused by increased unemployment, plus the availability of additional resources through the ARRA. As noted earlier, participation began to level off in FY 2011, and continued to do so in FY 2012 for the WIA Adult, Dislocated Worker and Youth formula programs, as unemployment has decreased and resources have been reduced.

### Wagner-Peyser Participants Served FY 2006 - FY 2012

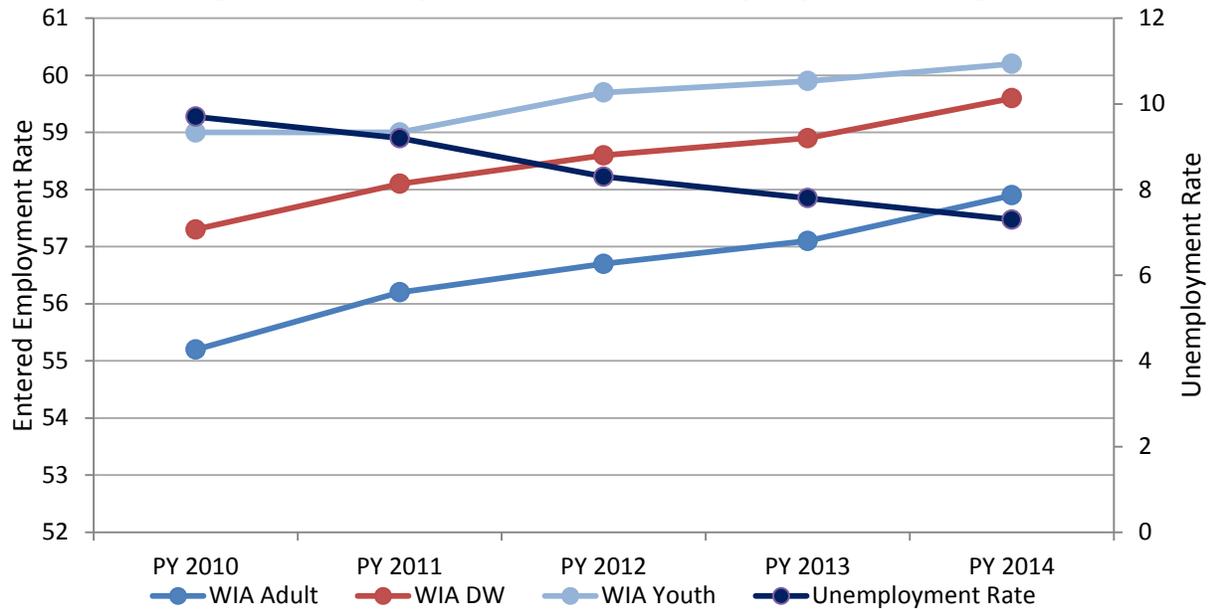


*\*FY 2012 for Wagner-Peyser not yet available. Instead, FY 2012 third quarter data (7/1/2011 – 6/30/2012) was used.*

The number of individuals served by Employment Service (ES) operations increased from roughly 14 million in FY 2006 to the peak of more than 22 million in FY 2010, which aligns with the peak of the recent recession. As we move forward into FY 2013 and beyond, unemployment levels have begun to decline, and employment is projected to increase. ETA's training and employment programs experienced a drop in participation during Program Year 2011 to over 19,200,000 participants and further projects a drop in most program participant numbers, especially for WIA and ES.

# EMPLOYMENT AND TRAINING ADMINISTRATION

## Regression-Adjusted Entered Employment Targets



Notes: The WIA Youth measure is provided for comparison but is actually measured as the placement in employment or education rate

The recession underscored the need to take into account the effect of labor market conditions on the ability of program participants to attain jobs when setting performance targets. In PY 2009, ETA began to use a regression-based adjustment method for setting national performance targets. The methodology uses the most recent observed actual performance outcomes as the base and adjusts them using the Office of Management and Budget’s forecasts of the unemployment rate and the consumer price index (CPI) and the estimated impacts those variables have on performance outcomes in order to estimate the effects of expected future economic conditions on the common performance measure outcomes. Results from the regression model reveal a negative, and statistically significant, relationship between unemployment rates and the common measure performance outcomes. The evidence shows that when unemployment is high, it is more difficult for ETA program participants to find jobs, stay in those jobs, and earn high wages. Thus, during periods of high unemployment, the model will revise performance targets downward, and as labor markets recover and unemployment numbers drop, performance targets will increase accordingly. The regression-adjusted method is intended to make performance targets more realistic, thus reducing disincentives to serve harder-to-serve participants. Use of a more systematic method for setting performance targets contributes to ETA’s efforts to provide all workers with progressive levels of education and job training that will lead to good jobs and a pathway to the middle-class.

In PY 2010, ETA developed performance targets at the state and local Workforce Investment Board (WIB) levels for WIA title I programs. States had the opportunity to use these targets as part of the negotiations process for setting PY 2011 and PY 2012 goals. ETA continues to utilize and refine the regression model in order to better inform the negotiations between ETA and states and between states and local areas.

## EMPLOYMENT AND TRAINING ADMINISTRATION

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

The ETA Operating Plan draws from the funded commitments, resources and goals set forth in both the FY 2011-2016 DOL Strategic Plan and the budget requests to describe ETA's use of inputs (both staff and budgetary) to implement specific strategies intended to achieve outputs in support of the Secretary's outcome goals. As the Operating Plan describes, ETA is primarily engaged in providing a variety of tools that are used to apply leverage to the workforce system and thereby encourage optimal results for participants. ETA administers grants and contracts, provides program direction, shapes policy, and provides guidance and technical assistance to states and regions to carry out these investments in the workforce system. In doing so, ETA employs several key strategies to ensure its programs and participants of those programs obtain optimal outcomes:

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

These strategies also describe how ETA employs performance accountability systems to maintain or correct its course throughout the year.

## EMPLOYMENT AND TRAINING ADMINISTRATION

The Operating Plan for FY 2014 will similarly rely upon the foundation set by the DOL Strategic Plan and the FY 2014 President's Budget Request to create a set of strategies for achieving workforce system and program goals while accounting for changes in budget resources, new initiatives, and new or continuing policy priorities.

Finally, ETA will inform Congress and the public about its performance on strategic-level objectives through the implementation of the Strategic Objective Annual Review (SOAR) process, as required under the GPRA Modernization Act of 2010. ETA is currently developing its FY 2014-2018 Strategic Plan, and will begin to formally report out on SOAR objectives in FY 2014.

### **Workforce Investment Act Reauthorization**

The Administration believes that the Department should be doing everything it can to reform the current job training system to make it easier for people to find a job or build their skills and for employers to find well-qualified workers. Today more than 40 programs at 11 Federal agencies provide job training and employment services. The Administration is exploring opportunities to revisit how the Federal government funds job training and employment services, including the possibility of reorganizing some existing programs that serve overlapping populations. The Budget already takes one step in that direction by proposing a Universal Displaced Workers program to provide those who lose their jobs with a single set of core services.

The reauthorization of the Workforce Investment Act (WIA) is a unique opportunity to promote innovation in the public workforce system, build on its strengths, and address its challenges. Through the reauthorization process, the public workforce system can be positioned to help more workers gain a foothold in the middle class by making sure that they have the skill set to succeed in the 21<sup>st</sup> Century.

The Administration's core principles for the reauthorization of WIA include:

1. **Streamlining and improving service delivery**: A complex set of rules and differing practices across programs that support job-related services often serve as a barrier to effective service at the state and local level. Additional flexibility for states and localities is needed to ensure that they can provide easy access and clear information to individuals and employers in need of service.
2. **Truly one-stop shopping for high-quality services**: All Americans should have access to high-quality American Job Centers that connect them with the full range of services available in their communities, whether they are looking to find a job, build basic or occupational skills, earn a post-secondary certificate or degree, or get guidance on how to chart a career path.
3. **Engaging with employers on a regional and/or sector basis**: Labor markets are typically regional, yet the workforce system is designed around rigid state and local geographic boundaries. Federal programs should be structured to promote continual engagement by the workforce system with employers of all sizes in high-demand sectors of the regional

## EMPLOYMENT AND TRAINING ADMINISTRATION

or local economy, as well as other stakeholders, to ensure that training programs lead to good jobs.

4. Improving accountability: Performance measures must be made consistent among programs throughout the workforce system and designed to make it possible to identify the interventions that deliver the best outcomes for individuals. In addition, performance information should be analyzed, presented, and delivered in a way that helps those delivering workforce services continually improve their programs. Workers and employers should also have easy access to information about outcomes for past participants, so that they can make informed decisions about which programs are most likely to meet their needs.
5. Promoting innovation and identifying and replicating best practices: WIA funding streams should be restructured to promote the search for successful practices across programs, continuous innovation, and adoption of the most effective approaches. Federal funds should also support the exploration of new or promising service models and rigorous evaluation to identify successful strategies, including an option to apply for carefully-designed cross-program waivers. Where appropriate, realigning programs should be considered as well.

The Department of Labor looks forward to working with Congress to strengthen and modernize the workforce system in line with these principles.

### **Improving Outcomes for Disconnected Youth**

The Budget continues to request cross-agency authority for Performance Partnerships pilots for disconnected youth, which would allow States and localities enhanced flexibility in administering Federal discretionary youth-serving programs in exchange for greater accountability for results. The Budget also includes a total of \$25 million in the Departments of Labor and Education to support pilot development through targeted technical assistance and other cross-agency activities to improve educational, employment and other key outcomes for disconnected youth.

The Department will continue its engagement with the Interagency Forum on Disconnected Youth (IFDY), which has worked throughout the past year to lay a strong foundation for future pilots and explore how the Federal agencies can better support State and local efforts to serve this vulnerable population. The IFDY is committed to improving outcomes for disconnected youth by:

- Convening agencies with programs serving disconnected youth, leveraging existing interagency work, and establishing an interagency commitment to addressing problems faced by this population;
- Identifying federal barriers to serving disconnected youth effectively, and dispelling myths about current requirements;
- Identifying and pursuing administrative, legislative, and regulatory changes necessary to overcoming these barriers;

## **EMPLOYMENT AND TRAINING ADMINISTRATION**

- Building evidence about what works, incorporating this evidence into program strategies serving disconnected youth across the federal government, and disseminating this evidence to the entities providing services to disconnected youth;
- Exploring and testing innovative ways of serving this population, such as through greater flexibility and Performance Partnership Pilots;
- Developing shared measures, where possible, so that federal agencies, state and local governments, and other stakeholders can better track progress in improving outcomes for this population;
- Exploring ways to partner with philanthropic organizations to leverage funding and other resources; to complement, rather than duplicate, ongoing work in the private sector; and to align public-private strategies and goals for serving disconnected youth.

The IFDY will continue to reach out to stakeholders in 2013 to determine the best possible uses of the Performance Partnerships Pilot authority. Approved pilots could include efforts to streamline the intake process for youth in multiple systems, pilot new service models for a specific high-risk group like youth aging out of foster care, or launch community-wide initiatives to centrally administer the many programs serving disconnected youth.

### **OMB Management Initiatives and IT Savings**

In addition, ETA will work toward meeting the Government-Wide Management Initiatives by using our assets better and eliminating unnecessary spending through the campaign to cut waste, and being innovative and smarter to meet the government for the 21<sup>st</sup>-Century initiative. To accomplish this, ETA has identified 10 percent savings in IT investments while proposing a reinvestment schedule for five percent of identified savings across select categories. The ETA IT budget will be reduced by \$3,400,000 by implementing the following cuts:

- \$600,000 from the eGrants investment;
- \$700,000 from the Enterprise Business Support System (EBSS) investment;
- \$450,000 from the Application Support Services Investment;
- \$270,000 from the Planning and Control Investment;
- \$180,000 from the General Customer Support Investment;
- \$550,000 from the Foreign Labor Certification Systems (FLCS) Investment; and
- \$650,000 from the Unemployment Insurance Database Management System (UIDBMS) Investment.

ETA will also reinvest \$2,800,000 in IT infrastructure modernization to significantly improve the efficiency and effectiveness of ETA's existing technology infrastructure, and provide new technology capabilities to improve overall agency mission performance, streamline program operations, improve services to American workers, and maximizes technology return-on-investment. The IT infrastructure modernization effort indirectly supports the Department's vision of Good Jobs For Everyone by providing a reliable, efficient and available infrastructure that significantly enhances the ability of the ETA program offices to fulfill the mission of ETA and to allow citizens to effectively communicate with the program offices.

## EMPLOYMENT AND TRAINING ADMINISTRATION

The IT modernization initiative consists of the following major components:

- **Infrastructure Optimization:** modernization of the database and application management layers of the infrastructure by upgrading the database management systems with the industry best, cutting-edge technologies and virtualizations.
- **DOL IT Consolidation Planning:** As ETA is preparing for the Department's data center consolidation effort, all ETA hardware, software and database applications must be re-evaluated. This initiative will identify the portability of ETA IT assets, thereby reducing the risks of disruption or degradation of service for ETA program offices.
- **Migrating Web Services to the cloud and adopting web API (Application Programming Interface) development:** This initiative will move ETA's public-facing Web site DOLETA.gov to the OMB approve and/or GSA FedRAMP certified cloud computing environment. This will reduce cost by leveraging a "shared platform" and improve customer service to our internal and external (public) users by providing government content and data for users to develop information they need to improve the quality of service they provide.
- **Strengthen IT Program Management:** As ETA is moving toward implementing the three IT modernization initiatives noted above (Infrastructure Optimization, IT Consolidation Planning and Migrating Web Services to the cloud and adopting web API development), we will need to strengthen our ability by training and offering creating a career path for Project Managers (PM) and capability by obtaining well qualified personnel, retaining top performers, and others to effectively manage modular IT programs and projects from beginning to end of the system life-cycle.
- **Migration of the Unemployment Insurance Database Management System (UIDBMS):** Determine and move forward with the implementation of the best option to upgrade the UIDBMS and Disaster Recovery site, consolidation the systems, keeping the systems decentralized or a cloud option.
- **Commodity IT Services for Open Government:** Implement technology solutions that will enable transparency, collaboration, and participation. This includes web chat capabilities, instant messaging services, citizen engagement platforms, mobile applications, etc.

In addition, ETA will use \$550,000 to reinvest in the FLCS investment to integrate the PERM case management system into the iCERT System. This would complete the FLCS system consolidation efforts which have been critical to lowering operations and maintenance costs.

### **Job Corps**

Job Corps plans to cut a total of \$3,700,000:

- \$3,450,000 from LANWAN for FY 2014 from Commodity IT Infrastructure, and
- \$250,000 from SPAMIS for FY 2014 from Commodity IT Business Systems.

Job Corps plans to reinvest \$1,158,000 into Shared Services and \$2,000,000 into Security Posture. That total, \$3,158,000 represents 10 percent of the total of both investments average of FY 2010, FY 2011 and FY 2012. Job Corps also shares expenses in the reinvestment activities that are described above.

## EMPLOYMENT AND TRAINING ADMINISTRATION

<b>SUMMARY BUDGET AUTHORITY BY APPROPRIATION<sup>3</sup></b>										
(Dollars in Thousands)										
	FY 2012 <sup>4</sup> Revised Enacted		FY 2013 Full Year C.R. <sup>5</sup>		FY 2013 Legislative Proposal		FY 2014 Current Law		FY 2014 Legislative Proposal	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>American Jobs Act</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$16,500,000</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
Pathways Back to Work Fund - Subsidized Jobs-Training	0	\$0	0	\$0	0	\$8,000,000	0	\$0	0	\$0
Pathways Back to Work Fund - Youth Employment	0	\$0	0	\$0	0	\$2,500,000	0	\$0	0	\$0
Pathways Back to Work Fund - Competitive Grants	0	\$0	0	\$0	0	\$2,000,000	0	\$0	0	\$0
Reemployment NOW	0	\$0	0	\$0	0	\$4,000,000	0	\$0	0	\$0
<b>Worker's Compensation</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
<b>Training and Employment Services</b>	<b>0</b>	<b>\$3,192,692</b>	<b>0</b>	<b>\$3,201,387</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$3,387,405</b>	<b>0</b>	<b>\$0</b>
Adult Employment and Training Activities	0	\$770,811	0	\$771,171	0	\$0	0	\$791,644	0	\$0
Formula Grants	0	\$770,811	0	\$771,171	0	\$0	0	\$791,644	0	\$0
Adult Employment and Training Activities	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
Youth Activities	0	\$824,353	0	\$829,398	0	\$0	0	\$846,632	0	\$0
Youth Employment and Training Activities	0	\$824,353	0	\$829,398	0	\$0	0	\$846,632	0	\$0
Dislocated Workers Employment and Training Activities	0	\$1,232,217	0	\$1,233,271	0	\$0	0	\$1,266,349	0	\$0
Formula Grants	0	\$1,008,151	0	\$1,009,058	0	\$0	0	\$1,045,490	0	\$0
National Reserve	0	\$224,066	0	\$224,213	0	\$0	0	\$220,859	0	\$0
Dislocated Workers Employment and Training Activities	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0

<sup>3</sup> Amounts represent program year funding, not fiscal year availability.

<sup>4</sup> Does not reflect rescissions to the PY 2012 Advances included in P.L. 113-6.

<sup>5</sup> FY 2013 Full Year C.R. does not include \$25,000,000 for the Dislocated Workers National Reserve for expenses related to Hurricane Sandy, as provided in the Disaster Relief Appropriations Act, 2013, P.L. 133-2. Of this amount, \$3,252,000 has been transferred to the Occupational Safety and Health Administration and the Wage and Hour Division for Hurricane Sandy reconstruction and recovery activities via a non-expenditure transfer.

## EMPLOYMENT AND TRAINING ADMINISTRATION

<b>SUMMARY BUDGET AUTHORITY BY APPROPRIATION<sup>3</sup></b>										
(Dollars in Thousands)										
	FY 2012 <sup>4</sup> Revised Enacted		FY 2013 Full Year C.R. <sup>5</sup>		FY 2013 Legislative Proposal		FY 2014 Current Law		FY 2014 Legislative Proposal	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Workforce Innovation Fund	0	\$49,906	0	\$50,211	0	\$0	0	\$150,000	0	\$0
Indian and Native American Programs	0	\$47,562	0	\$47,853	0	\$0	0	\$47,562	0	\$0
Migrant and Seasonal Farmworkers	0	\$84,291	0	\$84,807	0	\$0	0	\$84,291	0	\$0
Women in Apprenticeship	0	\$996	0	\$1,002	0	\$0	0	\$0	0	\$0
Youthbuild	0	\$79,689	0	\$80,177	0	\$0	0	\$79,689	0	\$0
Pilots, Demonstrations and Research	0	\$6,603	0	\$6,643	0	\$0	0	\$25,000	0	\$0
Reintegration of Ex-Offenders	0	\$80,238	0	\$80,729	0	\$0	0	\$90,238	0	\$0
Evaluation	0	\$9,563	0	\$9,622	0	\$0	0	\$0	0	\$0
Workforce Data Quality Initiative	0	\$6,463	0	\$6,503	0	\$0	0	\$6,000	0	\$0
<b>Universal Displaced Workers Program</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$4,045,000</b>
Income Support	0	\$0	0	\$0	0	\$0	0	0	0	\$1,157,000
Training	0	\$0	0	\$0	0	\$0	0	0	0	\$1,255,000
Re-Employment Services	0	\$0	0	\$0	0	\$0	0	0	0	\$727,000
Wage Insurance	0	\$0	0	\$0	0	\$0	0	0	0	\$686,000
Relocation Allowance	0	\$0	0	\$0	0	\$0	0	0	0	\$20,000
Rapid Response	0	\$0	0	\$0	0	\$0	0	0	0	\$200,000
<b>Office of Job Corps</b>	<b>163</b>	<b>\$1,702,947</b>	<b>163</b>	<b>\$1,713,369</b>	<b>0</b>	<b>\$0</b>	<b>168</b>	<b>\$1,691,923</b>	<b>0</b>	<b>\$0</b>
Operations	0	\$1,569,078	0	\$1,578,681	0	\$0	0	\$1,586,776	0	\$0
Construction	0	\$104,792	0	\$105,433	0	\$0	0	\$75,000	0	\$0
Administration	163	\$29,077	163	\$29,255	0	\$0	168	\$30,147	0	\$0
<b>Community Service Employment for Older Americans</b>	<b>0</b>	<b>\$448,251</b>	<b>0</b>	<b>\$450,994</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
Community Service Employment for Older Americans	0	\$448,251	0	\$450,994	0	\$0	0	\$0	0	\$0
<b>TAA Community College and Career Training Grant Fund</b>	<b>0</b>	<b>\$500,000</b>	<b>0</b>	<b>\$500,000</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$500,000</b>	<b>0</b>	<b>\$0</b>
TAA Community College and Career Training Grant Fund	0	\$500,000	0	\$500,000	0	\$0	0	\$500,000	0	\$0
<b>Federal Unemployment Benefits and Allowances</b>	<b>0</b>	<b>\$1,100,100</b>	<b>0</b>	<b>\$797,000</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$656,000</b>	<b>0</b>	<b>\$0</b>
Trade Adjustments Assistance	0	\$1,100,100	0	\$797,000	0	\$0	0	\$656,000	0	\$0
TAA Benefits	0	\$482,100	0	\$189,000	0	\$0	0	\$322,000	0	\$0

## EMPLOYMENT AND TRAINING ADMINISTRATION

<b>SUMMARY BUDGET AUTHORITY BY APPROPRIATION<sup>3</sup></b>										
(Dollars in Thousands)										
	FY 2012 <sup>4</sup> Revised Enacted		FY 2013 Full Year C.R. <sup>5</sup>		FY 2013 Legislative Proposal		FY 2014 Current Law		FY 2014 Legislative Proposal	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
TAA Training	0	\$575,000	0	\$575,000	0	\$0	0	\$309,000	0	\$0
Alternative-Reemployment TAA	0	\$43,000	0	\$33,000	0	\$0	0	\$25,000	0	\$0
<b>State Unemployment Insurance and Employment Service Operations</b>	<b>181</b>	<b>\$4,096,934</b>	<b>181</b>	<b>\$4,121,944</b>	<b>0</b>	<b>\$0</b>	<b>183</b>	<b>\$3,825,699</b>	<b>0</b>	<b>\$0</b>
Unemployment Insurance	0	\$3,246,314	0	\$3,266,119	0	\$0	0	\$2,917,872	0	\$0
Reemployment Eligibility Assessments-UI Integrity	0	\$59,906	0	\$60,253	0	\$0	0	\$80,000	0	\$0
State Administration	0	\$3,175,142	0	\$3,194,531	0	\$0	0	\$2,801,575	0	\$0
National Activities	0	\$11,266	0	\$11,335	0	\$0	0	\$11,297	0	\$0
State UI Demonstration Administration and Evaluation	0	\$0	0	\$0	0	\$0	0	\$25,000	0	\$0
Employment Service	0	\$721,754	0	\$726,171	0	\$0	0	\$751,754	0	\$0
Grants to States	0	\$700,842	0	\$705,131	0	\$0	0	\$730,842	0	\$0
Innovation Fund Contribution	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
Employment Service National Activities	0	\$20,912	0	\$21,040	0	\$0	0	\$20,912	0	\$0
TAT-SWA Retirement	0	\$2,427	0	\$2,442	0	\$0	0	\$2,427	0	\$0
WOTC	0	\$18,485	0	\$18,598	0	\$0	0	\$18,485	0	\$0
Foreign Labor Certification	181	\$65,393	181	\$65,793	0	\$0	183	\$65,600	0	\$0
Federal Administration	181	\$50,323	181	\$50,631	0	\$0	183	\$50,501	0	\$0
FLC State Grants	0	\$15,070	0	\$15,162	0	\$0	0	\$15,099	0	\$0
Workforce Information-Electronic Tools-System Building	0	\$63,473	0	\$63,861	0	\$0	0	\$90,473	0	\$0
Work Incentive Grants	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
Foreign Labor Certification Processing	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
<b>State Paid Leave Fund</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$5,000</b>	<b>0</b>	<b>\$0</b>
State Paid Leave Fund	0	\$0	0	\$0	0	\$0	0	\$5,000	0	\$0
Operations	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
Administration	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
<b>Advances to the Unemployment Trust Fund</b>	<b>0</b>	<b>\$140,000</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$600,000</b>	<b>0</b>	<b>\$0</b>
Advances to the Unemployment Trust	0	\$140,000	0	\$0	0	\$0	0	\$600,000	0	\$0

## EMPLOYMENT AND TRAINING ADMINISTRATION

<b>SUMMARY BUDGET AUTHORITY BY APPROPRIATION<sup>3</sup></b>										
(Dollars in Thousands)										
	FY 2012 <sup>4</sup> Revised Enacted		FY 2013 Full Year C.R. <sup>5</sup>		FY 2013 Legislative Proposal		FY 2014 Current Law		FY 2014 Legislative Proposal	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Fund (Non-add)										
<b>Program Administration</b>	<b>778</b>	<b>\$147,081</b>	<b>778</b>	<b>\$147,982</b>	<b>0</b>	<b>\$0</b>	<b>780</b>	<b>\$149,617</b>	<b>0</b>	<b>\$0</b>
Training and Employment*	340	\$67,457	340	\$67,869	0	\$0	342	\$68,964	0	\$0
Workforce Security	239	\$42,818	239	\$43,081	0	\$0	239	\$43,378	0	\$0
Apprenticeship	152	\$27,675	152	\$27,845	0	\$0	152	\$28,015	0	\$0
Executive Direction	47	\$9,131	47	\$9,187	0	\$0	47	\$9,260	0	\$0
<b>Total</b>	<b>1,122</b>	<b>\$11,313,005</b>	<b>1,122</b>	<b>\$11,057,676</b>	<b>0</b>	<b>\$16,500,000</b>	<b>1,131</b>	<b>\$14,395,658</b>	<b>0</b>	<b>\$4,045,000</b>

\*Note: Training and Employment includes amounts previously provided for adults and youth services.

# EMPLOYMENT AND TRAINING ADMINISTRATION

## PERFORMANCE STRUCTURE

Strategic and Outcome Goals Supporting <i>Good Jobs for Everyone</i>	Supporting Appropriations
<b>Strategic Goal 1 – Prepare Workers for Good Jobs and Ensure Fair Compensation</b>	
1.1 Increase workers’ incomes and narrowing wage and income inequality.	<ul style="list-style-type: none"> <li>• Training and Employment Service</li> <li>• Federal Unemployment Benefits and Allowances</li> <li>• Job Corps</li> <li>• State Unemployment Insurance &amp; Employment Service Operations</li> </ul>
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.	<ul style="list-style-type: none"> <li>• Training and Employment Service</li> <li>• Job Corps</li> <li>• State Unemployment Insurance &amp; Employment Service Operations</li> <li>• Trade Adjustment Assistance Community College and Career Training Grant Fund</li> </ul>
1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	<ul style="list-style-type: none"> <li>• Training and Employment Service</li> <li>• Federal Unemployment Benefit and Allowances</li> <li>• Job Corps</li> <li>• State Unemployment Insurance &amp; Employment Service Operations</li> </ul>
1.4 Help middle-class families remain in the middle class.	<ul style="list-style-type: none"> <li>• Training and Employment Service</li> <li>• Federal Unemployment Benefit and Allowances</li> </ul>
1.5 Secure wages and overtime.	<ul style="list-style-type: none"> <li>• State Unemployment Insurance &amp; Employment Service Operations</li> </ul>
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.	
<b>Strategic Goal 2 – Ensure Workplaces Are Safe and Healthy</b>	
2.1 Secure safe and healthy workplaces, particularly in high-risk industries.	
<b>Strategic Goal 3 – Assure Fair and High Quality Work-Life Environments</b>	

## EMPLOYMENT AND TRAINING ADMINISTRATION

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.	
<b>Strategic Goal 4 – Secure Health Benefits and, for Those Not Working, Provide Income Security</b>	
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.	<ul style="list-style-type: none"> <li>• State Unemployment Insurance &amp; Employment Service Operations</li> </ul>
4.3 Improve health benefits and retirement security for all workers.	
<b>Strategic Goal 5 – Assure the Production of Timely and Accurate Data on Social and Economic Conditions of Workers and their Families</b>	
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.	