

FY 2014

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Program Administration

PROGRAM ADMINISTRATION

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APPROPRIATION LANGUAGE

For expenses of administering employment and training programs \$99,009,065, together with not to exceed \$50,608,425 which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund.

Note. A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2012 Revised Enacted		FY 2013 Full Year C.R.		FY 2014 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	508	\$97,320	505	\$97,731	507	\$99,009
Reduction pursuant to P.L. 112-74 for FY2012	0	-\$184	0	\$0	0	\$0
Appropriation, Revised	508	\$97,136	505	\$97,731	507	\$99,009
<i>Subtotal Appropriation</i>	<i>508</i>	<i>\$97,136</i>	<i>505</i>	<i>\$97,731</i>	<i>507</i>	<i>\$99,009</i>
Offsetting Collections From:						
Reimbursements	4	\$1,187	4	\$1,295	4	\$1,295
Trust Funds	276	\$50,040	273	\$50,251	273	\$50,608
Reduction pursuant to P.L. 112-74 for FY 2012	0	-\$95	0	\$0	0	\$0
Trust Funds, Revised	0	\$49,945	0	\$0	0	\$0
<i>Subtotal Offsetting Collections From:</i>	<i>280</i>	<i>\$51,132</i>	<i>277</i>	<i>\$51,546</i>	<i>277</i>	<i>\$51,903</i>
B. Gross Budget Authority	788	\$148,268	782	\$149,277	784	\$150,912
Offsetting Collections						
Reimbursements	-4	-\$1,187	-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>-\$1,187</i>	<i>-4</i>	<i>-\$1,295</i>	<i>-4</i>	<i>-\$1,295</i>
C. Budget Authority Before Committee	784	\$147,081	778	\$147,982	780	\$149,617
Offsetting Collections From:						
Reimbursements	4	\$1,187	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>\$1,187</i>	<i>4</i>	<i>\$1,295</i>	<i>4</i>	<i>\$1,295</i>
D. Total Budgetary Resources	788	\$148,268	782	\$149,277	784	\$150,912
Other Unobligated Balances	0	\$0	0	\$0	0	\$0
Unobligated Balance Expiring	-6	-\$407	0	\$0	0	\$0
Unobligated Balance Carried Forward (ARRA)	0	\$0	0	\$0	0	\$0
E. Total, Estimated Obligations	782	\$147,861	782	\$149,277	784	\$150,912

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2012 Revised Enacted	FY 2014 Request	Net Change
Budget Authority			
General Funds	\$97,136	\$99,009	+ \$1,873
Trust Funds	\$49,945	\$50,608	+ \$663
Total	\$147,081	\$149,617	+ \$2,536

Full Time Equivalents			
General Funds	505	507	2
Trust Funds	273	273	0
Total	778	780	2

Explanation of Change	FY 2012 Base		Trust Funds		FY 2014 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	778	\$77,823	0	\$222	0	\$402	0	\$624
Personnel benefits	0	\$12,637	0	\$67	0	\$120	0	\$187
One day more of pay	0	\$0	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act (FECA)	0	\$9,661	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$628	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$796	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$6	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$9,042	0	\$158	0	\$403	0	\$561
Rental payments to others	0	\$12	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$1,417	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$179	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$5,666	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$440	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$9,041	0	\$216	0	\$398	0	\$614
Other Federal sources (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$310	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$7,479	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
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

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Explanation of Change	FY 2012 Base		Trust Funds		FY 2014 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Equipment	0	\$609	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$40	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	778	+\$147,081	0	+\$663	0	+\$1,323	0	+\$1,986
B. Programs:								
To provide for staff to assist the Strong Cities, Strong Communities initiative	0	\$0	0	\$0	2	\$300	2	\$300
To provide for employment outcome data matching	0	\$0	0	\$0	0	\$250	0	\$250
Programs Subtotal			0	\$0	2	+\$550	2	+\$550
Total Increase	778	+\$147,081	0	+\$663	2	+\$1,873	2	+\$2,536
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Decrease	0	\$0	0	\$0	0	\$0	0	\$0
Total Change	778	+\$147,081	0	+\$663	2	+\$1,873	2	+\$2,536

NOTE: FY 2012 reflects actual FTE.

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	FY 2012 Revised Enacted		FY 2013 Full Year C.R.		FY 2014 Request		Diff. FY 14 Request / FY 12 Rev. Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Training and Employment¹	340	67,457	340	67,869	342	68,964	2	1,507
General Funds	298	58,937	298	59,297	300	60,325	2	1,388
Unemployment Trust Funds	42	8,520	42	8,572	42	8,639	0	119
Workforce Security	239	42,818	239	43,081	239	43,378	0	560
General Funds	20	3,476	20	3,498	20	3,522	0	46
Unemployment Trust Funds	219	39,342	219	39,583	219	39,856	0	514
Apprenticeship	152	27,675	152	27,845	152	28,015	0	340
General Funds	152	27,675	152	27,845	152	28,015	0	340
Executive Direction	47	9,131	47	9,187	47	9,260	0	129
General Funds	35	7,048	35	7,091	35	7,147	0	99
Unemployment Trust Funds	12	2,083	12	2,096	12	2,113	0	30
Total	778	147,081	778	147,982	780	149,617	2	2,536
General Funds	505	97,136	505	97,731	507	99,009	2	1,873
Unemployment Trust Funds	273	49,945	273	50,251	273	50,608	0	663

NOTE: FY 2012 reflects actual FTE.

¹ NOTE: FY 2012 includes \$55,197 in Adult Services funding and \$12,260 in Youth Services funding. FY 2013 includes \$55,534 in Adult Services funding and \$12,335 in Youth Services funding.

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BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
	Full-Time Equivalent				
	Full-time Permanent	778	778	780	-4
	Reimbursable	4	4	4	0
	Total	782	782	784	-4
	Average ES Salary	\$165,241	\$166,068	\$166,898	\$1,657
	Average GM/GS Grade	12	12	12	0
	Average GM/GS Salary	\$97,292	\$97,779	\$97,327	\$35
	Average Salary of Ungraded Positions	0	0	0	0
11.1	Full-time permanent	76,958	77,463	77,782	824
11.3	Other than full-time permanent	429	429	429	0
11.5	Other personnel compensation	436	436	436	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	77,823	78,328	78,647	824
12.1	Civilian personnel benefits	22,298	22,435	22,545	247
13.0	Benefits for former personnel	628	628	628	0
21.0	Travel and transportation of persons	796	796	836	40
22.0	Transportation of things	6	6	6	0
23.1	Rental payments to GSA	9,042	9,301	9,603	561
23.2	Rental payments to others	12	12	12	0
23.3	Communications, utilities, and miscellaneous charges	1,417	1,417	1,417	0
24.0	Printing and reproduction	179	179	179	0
25.1	Advisory and assistance services	5,666	5,666	5,916	250
25.2	Other services from non-Federal sources	440	440	440	0
25.3	Other goods and services from Federal sources 1/	16,830	16,830	17,444	614
25.4	Operation and maintenance of facilities	300	300	300	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	10,095	10,095	10,095	0
26.0	Supplies and materials	900	900	900	0
31.0	Equipment	609	609	609	0
42.0	Insurance claims and indemnities	40	40	40	0
	Total	147,081	147,982	149,617	2,536
	1/Other goods and services from Federal sources				
	CIGIE	7,479	7,479	7,479	0
	Working Capital Fund	9,041	9,041	9,655	614
	DHS Services	310	310	310	0

NOTE: FY 2012 reflects actual FTE.

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PERFORMANCE STRUCTURE

Strategic and Outcome Goals Supporting the Department’s 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.	Training and Employment, 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.	Training and Employment, 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.	Training and Employment, Apprenticeship, Executive Direction
1.4 Help middle-class families remain in the middle class.	Training and Employment, Apprenticeship, Executive Direction
1.5 Secure wages and overtime.	Training and Employment, 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
2004					
Base Appropriation...1/	\$183,365	\$172,327	\$172,061	\$172,349	1,253
2005					
Base Appropriation...2/	\$181,018	\$168,854	\$177,615	\$170,101	1,209
2006					
Base Appropriation...3/	\$206,111	\$206,111	\$206,111	\$169,421	1,008
2007					
Base Appropriation	\$211,554	\$199,708	\$199,708	\$171,130	988
2008					
Base Appropriation...4/5/	\$216,162	\$170,500	\$185,505	\$172,323	932
2009					
Base Appropriation...6/	\$144,012	\$0	\$131,153	\$130,463	840
2010					
Base Appropriation	\$147,906	\$146,406	\$148,906	\$147,656	996
2011					
Base Appropriation...7/	\$162,042	\$0	\$0	\$147,360	778
2012					
Base Appropriation...8/	\$159,882	\$0	\$0	\$147,081	788
2013					
Base Appropriation	\$147,611	\$0	\$0	\$0	0
2014					
Base Appropriation	\$149,617				

1/ 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.

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

3/ 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.

4/ Reflects a 1.747% rescission.

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

6/ FTE numbers are ceilings.

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

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

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Overview

The Program Administration (PA) appropriation provides for the Federal administration of most Employment and Training Administration (ETA) programs. The 2014 request of \$149,617,000 supports 780 direct full-time equivalent (FTE) positions. Federal staff play a crucial role in ensuring that the Department of Labor (Department) achieves the desired outcomes in support of the Department's strategic goals and the priority performance measures.

As indicated in the Office of Inspector General's report #18-013-03-390, (9/30/10), Federal staff provide critical 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.

Most ETA-funded programs are administered through a joint Federal-State arrangement, although some are managed directly by ETA. Of the programs managed directly by ETA, most are based on formula and competitive grants. ETA is charged with overseeing the workforce system through the administration of \$10 billion in various appropriated grant funds.

In addition to administering grants, ETA staff in the national office and six regional offices provide program direction, shape policy, and provide guidance and technical assistance to states and grantees. ETA staff are, 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. 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 the Congress and the American taxpayer for the effective and efficient stewardship of appropriated funds.

The appropriation 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 of 1998, as amended (WIA):

- Adult;
- Dislocated Worker;
- Youth;
- Workforce Information;
- National Activities;
- YouthBuild;
- Indian and Native American Program; and
- Migrant and Seasonal Farmworker Program

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The PA account also finances staff to carry out similar responsibilities for Unemployment Insurance (UI), the Employment Service (ES), Work Opportunity Tax Credits (WOTC), the Trade Adjustment Assistance (TAA) program, and the Office of Apprenticeship (OA).

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, 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 continue to focus on increasing the number of adults who complete training and acquire an industry recognized credential.

ETA proposes the following changes to the PA account through the FY 2014 Request:

- Strong Cities, Strong Communities (SC2) initiative. Increase of \$300,000 and two FTE to provide targeted technical assistance to selected communities.
- Trade Adjustment Assistance Community College and Career Training (TAACCCT) Technical Assistance. Providing \$250,000 in PA to provide technical assistance to grantees, including efforts to facilitate wage data matching to make it easier for grantee institutions to monitor and report on the employment outcomes of their programs.
- Consolidation of the Adult Services and Youth Services budget activities into a new Training and Employment budget activity. This shift better reflects ETA's operations and ensures improved financial accountability by maintaining consistency in charging related to the appropriation.

Federal staff in ETA will play a key role in supporting the development of new initiatives related to the American Jobs Act, including the Reemployment NOW and Pathways Back to Work; and proposals for a new Universal Dislocated Workers (UDW) program and Community College to Career Fund.

ETA staff will also continue to provide the Congress with requested information, including policy options, clarifications of current practices, examples of state and local implementation of current law, and legislative specifications to work toward WIA reauthorization and other legislative initiatives. Maintaining staff levels will allow ETA to support activities related to major workforce legislation, lead to higher quality guidance and technical assistance that directly addresses the needs of American workers, and provide the Department, states, and localities the information they need to identify and implement workforce strategies that lead to increased employment, retention, and earnings.

Federal staff will work closely with grantees to promote improved program outcomes; document innovation and best practices and disseminate them; document issues and suggested improvements; develop curricula and deliver training on Federal policies and priorities; and provide support in the field.

The Department is requesting funding in 2014 to maintain FTE levels to provide technical assistance and oversight of grant activities that helps mitigate the risk for fraud and abuse, poor

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performance by grantees, lack of credible reporting and evaluation, and unfavorable audit reports. The agency will continue to develop partnerships with other agencies at the Federal, state, and local levels, as well as with the business community, secondary and postsecondary institutions, and other local community partners. ETA will identify with its partners areas where efficiencies can be achieved to improve program outcomes and oversight.

ETA, in partnership with states, will continue to maintain a viable and strong safety net that provides timely and accurate temporary income support to eligible workers, with greater emphasis on reducing risk for improper payments. It maintains its focus on improving the integrity of the Unemployment Insurance System, working with states to improve their prevention, detection, and recovery of improper payments, and strengthening performance overall. This requires the provision of ongoing technical assistance from Federal staff through monitoring activities, state plan reviews, webinars, and other technical assistance and published guidance.

As ETA continues to address the growing challenge of equipping Americans with the skills and tools to obtain good jobs and build their careers, it will focus on the expansion and enhancement of Registered Apprenticeship programs. In FY 2014, OA will build on its Registered Apprenticeship at Community Colleges effort to ensure that college credit is recognized awarded and transferrable when earned in conjunction with a Registered Apprenticeship program. OA also will continue to build upon VOW to Hire Heroes Act efforts, coordinating with military service branches on the U.S. Military Apprentice Program and the Transition Assistance Program to successfully connect transitioning service members and other veterans to civilian career paths.

The work performed by ETA staff 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;
- 1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs; and
- 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 and growing industries;
- 1.3 Providing workers with the resources necessary to increase their likelihood of obtaining middle-class jobs; and
- 1.4 Ensuring that those workers adversely affected by foreign and domestic economic conditions can remain in the middle class.

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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 and growing industry sectors.

Program Staff Support and Staff Charging

ETA's PA funds are used to finance ETA mission-support activities like grant, contract, human resource, financial, and administrative management. The offices in which these functions reside provide critical support for the programmatic functions of ETA. ETA's mission-support offices provide critical business functions which enable ETA to operate. Without these business functions, the ability of ETA to perform the most basic of operations would be constrained.

To improve the efficiency of agency operations, ETA will utilize flexibility in how FTEs are assigned work across a variety of programs. Instead of FTEs being siloed into specific programmatic or support functions within the agency, ETA will create positions that include work across positions – utility players. By creating FTE functional flexibility, ETA will maintain the core integrity of PA activities within the individual programs and can adapt to fluctuating and cyclical workload increases across its programs. This flexibility allows ETA to better utilize the strengths of its talent base.

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DETAILED WORKLOAD AND PERFORMANCE				
	FY 2012 Revised Enacted		FY 2013 Full Year C.R.	FY 2014 Request
	Target	Result	Target	Target
OGM/Grants Management				
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.				
ETA- CH1- ORM-I- 01 (Hist. ETA- CH1- ORM- 01)	Percent of Active Grant Projects that Receive a Desk Review Quarterly			
	95.00%	95.00%	95.00%	95.00%
ETA- CH1- ORM-I- 02 (Hist. ETA- CH1- ORM- 03)	Percent of Initial Risk Assessments conducted for new grants managed by Regional Offices within 45 days of award			
	95.00%	98.75%	95.00%	95.00%

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DETAILED WORKLOAD AND PERFORMANCE					
		FY 2012 Revised Enacted		FY 2013 Full Year C.R.	FY 2014 Request
		Target	Result	Target	Target
ETA- CH1- ORM-I- 03 (Hist. ETA- CH1- ORM- 04)	Percent of Grant Management Reports issued based on Projects reviewed by Regional Offices	25.00%	25.00%	25.00%	25.00%
ETA- CH4- OGM- 01	Percent of Competitive Discretionary Grant Funds Awarded Each Quarter	100.00%	100.00%	100.00%	100.00%
ETA- CH4- OGM- 02	Percent Grants Closeouts Completed that Met the 12 Month Standard	90.00%	92.60%	90.00%	90.00%
ETA- CH4- OCM-02 (Hist. ETA- CH4- OCM- 01)	Percent of Non-Job Corps Contracts Awarded within 180 Days of the Request for Proposal Closing	75%	94%	80%	80%

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

TRAINING AND EMPLOYMENT

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	67,457	67,869	68,964	1,507
FTE	340	340	342	2

NOTE: FY 2012 reflects actual FTE for Adults and Youth. FY 2012 includes \$55,197 in Adult Services funding and \$12,260 in Youth Services funding. FY 2013 includes \$55,534 in Adult Services funding and \$12,335 in Youth Services funding.

Introduction

In 2014, the Department proposes reorganizing the Youth and Adult budget activities into a single Training and Employment activity, which will more accurately reflect ETA's workload. Established in 1996, the current ETA PA budget structure does not fully align with the actual organization and operation of ETA. It breaks apart the FTE activities involved in administering the Adult and Youth Programs, even though many staff today work across more than one budget activity in their day-to-day work. For example, the Reintegration of Ex-Offenders program has two components – one serving adult offenders and one serving youth offenders. Staff assigned to work on REXO will work with grantees serving adults as well as with grantees serving youth. Staff in the regional offices are assigned to monitor grants in a particular state and will monitor grants serving youth and grants serving adults.

The Training and Employment activity encompasses federal staff working on the following programs:

WIA Adult Formula Grants provide employment and training services for low income, low-skilled, and underemployed adults, including some veterans within the public workforce system. The WIA Adult formula program transforms the unemployment system into a reemployment system by providing adult job seekers with job placement, career counseling, skills-training, credential attainment, and labor exchange services that make it possible for adult job seekers and low-income low-skilled, and underemployed workers to find sustainable employment..

WIA Dislocated Worker Formula Grants help workers who have lost their jobs as a result of layoffs gain new skills and find meaningful jobs in sectors that are projected to grow. The Dislocated Worker program turns the unemployment system into a reemployment system by providing services that help dislocated workers obtain employment services, such as career counseling, training that leads to credential attainment, and job placement.

WIA Youth Formula Grant serves eligible low-income youth, ages 14-21, who face barriers to employment. The WIA Youth formula program prepares youth for employment and/or postsecondary education through strong linkages between academic and occupational learning. 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.

TRAINING AND EMPLOYMENT

National Emergency Grants temporarily expand the service capacity of Dislocated Worker training and employment programs at the state and local levels by providing funding assistance in response to large, unexpected economic events which cause significant job losses. National Emergency Grants generally provide resources to states and local workforce investment boards to quickly reemploy laid-off workers by offering training to increase occupational skills. National Emergency Grants also provide employment after a disaster strikes; these grants assist in the cleanup of public areas and accelerate economic recovery.

Workforce Innovation Fund is one of several new Federal grant programs which supports projects that seek to design evidence-based program strategies. The Fund supports innovation at the systems and service delivery levels. The Fund supports innovative partnerships that test new strategies or proven models to integrate services and promote better outcomes for job seekers and employers.

Migrant and Seasonal Farmworkers Grant Program provides services to the American farmworker population to help combat the chronic underemployment experienced by workers who depend primarily on agricultural labor jobs. The program responds to the unique needs of MSFWs through employer services, skills training, and supportive services, such as nutrition, transportation, and housing.

Indian and Native American Grant Program provides employment and training services to Native American communities to develop the academic, occupational and literacy skills of Native Americans to make this population more competitive in the workforce. These grants are administered in ways that are consistent with the traditional cultural values and beliefs of the people they are designed to serve.

YouthBuild Grants provide academic and occupational skills training and leadership development to low-income youth ages 16-24. YouthBuild provides services to approximately 7,000 youth annually by re-engaging them in innovative alternative education programs that provide individualized instruction as they work toward earning either a GED or high school diploma. The YouthBuild program provides opportunities for job training and education for at-risk youth who help construct or rehabilitate public housing while providing job skills for participants to prepare for work or postsecondary education.

Reintegration of Ex-Offenders Grants seek to reduce recidivism by helping former inmates find work when they return to their communities. This program is designed to strengthen communities through an employment-centered program that incorporates mentoring, job training, and other comprehensive transitional services. This 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.

Trade Adjustment Assistance Program is a Federal entitlement program that assists U.S. workers who have lost or may lose their jobs as a result of reduced domestic demand due to foreign trade. This program seeks to provide adversely affected workers with opportunities to obtain the skills, credentials, resources, and support necessary to become reemployed.

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Trade Adjustment Assistance Community College and Career Training Grant Program provides community colleges and other eligible institutions of higher education with funds to expand and build their capacity to meet the education and training requirements of jobs in demand. These grants in partnership with employers support the design of programs suited for workers who are eligible for training under the TAA for Workers program, and prepare program participants for employment in high-wage, high-skill occupations.

The Training and Employment activity also provides a portion of the funding for the costs of staff in ETA's Office of Management and Administrative Services, Office of Financial Administration, and Office of Contracts Management. These offices provide critical support to the administrative, budgetary, programmatic, human resource, grant-making and contracting functions of other ETA offices. They provide the agency with the ability to award contracts, distribute grant funds, provide technical assistance and issue guidance to state and local entities, which administer employment and training programs around the country.

FY 2014

The 2014 request totals \$60,325,399 and 300 FTE. This includes increases of \$300,000 and 2 FTE for ETA support of the Strong Cities, Strong Communities (SC2) initiative and \$250,000 for technical assistance activities related to the TAACCCT program. SC2 launched in June 2011 and is aimed at creating new partnerships between Federal agencies and local governments to accelerate economic development in communities that have faced significant long-term economic challenges. In addition, the budget includes a program increase of \$250,000 to 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 the employment outcomes of participants.

In FY 2014, ETA staff will continue to be responsible for implementing an integrated national workforce investment system that supports economic growth and provides workers with the information, career counseling, job search assistance, supportive services, and training in demand industries and occupations needed to get and keep good jobs. Federal staff will promote the development and implementation of innovative workforce development models, electronic tools, workforce education strategies, and integrated workforce solutions. In support of those efforts, staff will also provide technical assistance to state and local workforce investment system partners.

ETA's highest priority for Salaries and Expenses (S&E) funds is for Federal staff to administer, monitor, and provide guidance to the public workforce system partners. As described above, Federal staff is 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 also is allocated to provide for financial, procurement, human resources, and administrative services, as well as IT support. However, this leverage is materialized through the specific programs described in this section. The programs are key components in helping American workers get the skills they need to fully participate in the American economy and employers to succeed in the global economy.

TRAINING AND EMPLOYMENT

ETA's oversight of the American Job Center networks' governance and service delivery is essential to ensuring that all populations are served. ETA's national and regional staff established a policy and programmatic infrastructure, strategic oversight and technical assistance necessary for state and local partners to operate a system that is tailored to the needs of local and regional economies. ETA's staff directly manage the Federal relationship with grantees and protect taxpayers' investment in employment and training programs by monitoring grantees for programmatic compliance and providing technical assistance to help grantees achieve their outcome goals.

In addition to managing these programs, ETA staff will support Congress and the Administration in the development of the American Jobs Act, UDW, and other legislation. Staff also will continue to provide Congress with requested information, including policy options, clarifications of current practices, examples of state implementation of current law, and legislative specifications to continue WIA reauthorization efforts. Maintaining adequate staff levels ensures sufficient resources to support activities on major workforce legislation, leads to higher quality guidance that directly addresses the needs of American workers, and provides the Department, states, and localities the information they need to successfully implement workforce strategies that lead to increased employment, retention, and earnings.

Grant management activities directly support each of the Department's outcome goals by facilitating grantee performance to improve outcomes for program participants. The 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. In 2014, ETA staff will have a continued focus on increasing the number of adults who complete training and acquire an industry-recognized credential. Without sufficient resources and FTE positions to provide technical assistance and oversight of grant activities, we increase the vulnerability of grantee fraud and abuse, poor performance, a lack of appropriate reporting and evaluation, and unfavorable audit reports.

New grants awarded, through the Workforce Innovation Fund and the TAACCCT Program, as well as the continued work associated with the existing competitive programs, will significantly increase grant management activities and the workload will extend into 2014 since the funding for some of these grants is over a four-year period. With this responsibility comes the need for resources to carry out the primary mission of the agency – stewardship of resources, effective grants management, technical assistance to grantees, and timely close-out of those grants through 2014.

ETA remains committed to support all organizations interested in applying for grants. First-time awardees often require additional support to comply with financial and program reporting requirements. Several of our recent grants encourage partnerships or support emerging strategies such as Pay for Success. These strategies are more complex and require additional staff attention, technical assistance to help grantees with financial reporting, performance reporting,

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grant management and technical support associated with promoting best practices for increasing credential attainment².

The number of active grants in 2013 is estimated to be 3,819 and that number is anticipated to increase. The 2014 target for completion of risk assessments within the fiscal year is 95 percent. Initial risk assessments for new discretionary projects are required within 45 days of assignment in the Grants Electronic Management System (GEMS). As a result, new projects which are awarded and assigned in GEMS late in the fourth quarter of any fiscal year may not have their initial risk assessment completed until the first quarter of the following fiscal year.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

Among the grant competitions administered in FY 2012, ETA issued competitive Solicitations for Grant Applications (SGAs) to implement the 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. ETA staff collaborates with the U.S. Department of Education and other Federal partners in the design of the grant competition, writes the grant solicitation, and provides essential program and policy support as well as technical assistance to TAACCCT grantees to ensure they adhere to fiscal, administrative, and performance reporting requirements and to help them achieve the intended positive outcomes of the funding.

ETA staff provide similar functions for all other competitive grant programs. In FY 2012, ETA staff drafted grant solicitations, and provided programmatic oversight of over \$900 million in grant funds for competitive programs such as the Senior Community Service Employment Program and YouthBuild. These programs represent critical Federal priorities, and allow ETA to test new employment and training service delivery strategies; apply proven to targeted or new populations; build critical training capacity; and develop promising practices that inform formula program activities.

In FY 2012, ETA staff collaborated closely with Federal partners to design and deliver technical assistance for the formula-funded workforce investment system. Through an interagency partnership among the Departments of Labor, Education, and Health and Human Services, ETA

²As 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).

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helped draft and disseminate a joint letter in support of integrated career pathway systems. The letter was shared with WIA Title I and Title II grantees, TANF grantees, and many others, and encouraged state-level partnerships and leveraged funding in support of establishing career pathway systems that lead to portable, industry-recognized credentials and good jobs. The letter is an integral part of jointly designed and delivered TA across all three agencies' programs.

To support WIA formula grants, ETA staff worked closely with states to support quality, efficient and effective grant implementation. In FY 2012, ETA designed and issued guidance in the development of new five-year state plans, and processed nearly 400 waiver requests. This work helped shape the goals and priorities of state workforce development systems, and encouraged states to develop strategies based on evidence-based practices.

In order to support the successful implementation of WIA Youth Activities in 2012, ETA published Training and Employment Guidance Letter (TEGL) No. 5-12 providing guidance for states and local workforce investment areas that emphasized a number of areas including: 1) effectively providing the 10 WIA Youth program elements; 2) providing adequate support in helping youth complete learning and employment goals; and 3) developing the potential of youth as citizens and leaders. In addition, ETA published TEGL No. 18-11 providing guidance to state and local workforce investment areas to increase literacy and numeracy gains of out-of-school, basic skills deficient youth and to further clarify reporting policies and requirements. Specifically, the TEGL emphasized the importance of literacy and numeracy skill development; program design, service delivery, staff development, and assessment for basic skills; strategies for partnering to provide basic literacy skills services, and reporting skill gains. ETA also published a WIA Youth reference tool via TEN 46-11 to training new staff and workforce investment board members on the WIA youth program. It provides easy access to basic information on the WIA Youth Program. Major features of the reference tool include highlights of information about its structure, funding, performance accountability, and service provisions.

WIA youth staff continued their focus on developing collaborative partnerships at the Federal, state, and local levels for serving the youth most in need. These efforts included providing, through Training and Employment Notice (TEN) No. 33-11, the workforce system with Information Memoranda sent by the U.S. Department of Health and Human Services' Administration for Children and Families (ACF) to Temporary Assistance for Needy Families (TANF) jurisdictions, State Community Service Block Grant (CSBG) offices, and local CSBG entities that encourage the use of TANF and CSBG funds for summer employment opportunities. The TEN also encouraged the public workforce system to partner with TANF jurisdictions, state CSBG offices, and local CSBG entities in their efforts to promote subsidized employment opportunities for low-income youth. The Department also published TEN No. 45-11 sharing with the workforce system a joint memorandum by the Secretaries of the Interior and Agriculture, the Administrator of the U.S. Environmental Protection Agency, the Assistant Secretary of the Army, and the Chair of the Council on Environmental Quality to agency leadership recommending they encourage their respective field staff build on or create new partnerships to employ young Americans during the summer, and providing the workforce system with information on partnering with public land management agencies and conservation corps to create or expand summer employment opportunities for WIA youth on public lands. WIA Youth staff also continued to actively participate in the U.S. Health and Human Services-

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led Interagency Working Group on Youth Programs as well as the Interagency Forum on Disconnected Youth.

In FY 2012, the YouthBuild program staff also provided technical assistance to grantees by hosting two national learning exchanges, several regional events, a monthly webinar series as well as the delivery of phone and written technical assistance to federal regional project officers. In addition, YouthBuild staff supported the delivery of technical assistance through the management and oversight of the YouthBuild USA technical assistance contract. YouthBuild staff helped plan and host grantee training events, including assisting with the development of content and managing the logistics of these events.

In addition, YouthBuild continued partnerships with the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Administration in support of substance abuse prevention for at-risk youth. ETA has also worked with the U.S. Department of Housing and Urban Development to support apprenticeship placements of YouthBuild graduates, including a joint letter to apprenticeship sponsors and the construction community encouraging the hiring of YouthBuild graduates. A new relationship was formed with the Environmental Protection Agency to enhance knowledge of YouthBuild grantees about radon in new and existing construction as well as credential opportunities for YouthBuild participants.

In order to support the RExO program, ETA provided comprehensive technical assistance (TA) to 27 grantees in the Civic Justice Corps (CJC), RExO 4, and High Poverty, High Crime (HPHC) programs. TA included 43 onsite visits and customized onsite trainings in performance reporting, case management, and partner engagement; two Grantee Kick-Off Conferences; 14 webinars including topics such as reporting, credentialing, apprenticeship, and restorative justice; as well as a virtual grantee conference. In addition, ETA developed and disseminated a number of resources for grantees including quick tips, promising practices, and frequently asked questions and answers.

ETA has continued its focus within the RExO program on partnering with other relevant federal agencies. ETA continues to participate in the Federal Interagency Reentry Council (FIRC) and provided assistance to the U.S. Departments of Justice and U.S. Health and Human Services to produce the “Women in Reentry Summit.” In addition, ETA coordinated RExO Solicitation for Grant Applications (SGAs) with the Departments of Justice and Health and Human Services resulting in the first SGA targeting services to female ex-offenders. ETA also introduced the Corporation for National and Community Service’s President’s Volunteer Service Award Program as a tool for CJC and HPHC grantees to track the service hours of their program participants.

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DETAILED WORKLOAD AND PERFORMANCE				
	FY 2012 Revised Enacted		FY 2013 Full Year C.R.	FY 2014 Request
	Target	Result	Target	Target
Adult Services				
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.				
ETA- CH1- TAA-01	Average Petition Processing Time in Days (TAA)		40	TBD
ETA- CH1- TAA-02	Percent of petitions processed in compliance with established review procedures (TAA)		90.00%	90.00%
ETA- CH1- TAA-03	Percent of petitions processed in compliance with the customer service measure (TAA)		90.00%	90.00%
OTAA Addition- 02	Credentialing Measure		TBD	TBD

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

TRAINING AND EMPLOYMENT

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
11.1	Full-time permanent	33,042	33,298	33,516	474
11.3	Other than full-time permanent	429	429	429	0
11.5	Other personnel compensation	0	0	0	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	33,471	33,727	33,945	474
12.1	Civilian personnel benefits	9,572	9,641	9,714	142
13.0	Benefits for former personnel	608	608	608	0
21.0	Travel and transportation of persons	4	4	44	40
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	3,883	3,970	4,218	335
23.2	Rental payments to others	8	8	8	0
23.3	Communications, utilities, and miscellaneous charges	783	783	783	0
24.0	Printing and reproduction	0	0	0	0
25.1	Advisory and assistance services	4,450	4,450	4,700	250
25.2	Other services from non-Federal sources	200	200	200	0
25.3	Other goods and services from Federal sources 1/	7,712	7,712	7,978	266
25.4	Operation and maintenance of facilities	148	148	148	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	6,004	6,004	6,004	0
26.0	Supplies and materials	348	348	348	0
31.0	Equipment	266	266	266	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	67,457	67,869	68,964	1,507
1/Other goods and services from Federal sources					
	CIGIE	7,479	7,479	7,479	0
	Working Capital Fund	233	233	499	266

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CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$274
Personnel benefits	82
One day more of pay	0
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	335
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	266
Other Federal sources (Census Bureau)	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	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 **\$957**

Net Program **\$550**

Direct FTE **2**

	Estimate	FTE
Base	\$68,414	340
Program Increase	\$550	2

NOTE: Base reflects actual FY 2012 FTE.

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	42,818	43,081	43,378	560
FTE	239	239	239	0

NOTE: FY 2012 reflects actual FTE. Authorized FTE for FY 2012 was 242.

Introduction

The Workforce Security activity provides leadership and policy direction for the administration of the comprehensive nationwide public employment service system; oversees UI programs in each state; supports the American Job Center network, including a comprehensive system of collecting, analyzing and disseminating labor market information; and includes related program operation support activities. ETA staff directly contribute to the strategies described below to achieve the 2014 ETA priority goal of strengthening the UI safety net. ETA plans to use PA 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 contributes to ETA's ability to provide effective grant management and oversight of Federal investments, as well as contributes to the efforts of UI integrity and identification of 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 Department programming by grantees. ETA will utilize its resources to disseminate promising practices and encourage cross-site collaboration to improve customer service, expand opportunities and generate positive outcomes.

As the Department 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 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, the Office of Unemployment Insurance (OUI) implemented the new Effective Audit Measure which includes factors that focus on misclassification detection. This will be a core measure in the UI Performs performance measurement system in 2014, 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.

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

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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.

PA account 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 UI 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 2014.

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:
 - 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;
 - Developing a new process for identifying “at-risk” states with extremely poor performance and providing high-emphasis technical assistance to support performance improvement; and
 - Continuing 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.
 - 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

WORKFORCE SECURITY

ensure UI claimants have access to the full array of workforce services, connecting all UI claimants with the appropriate workforce services delivered through American Job 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 to 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 American Job Centers for eligibility reviews and the development of reemployment plans connecting them to American Job Center 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 American Job Centers. Regional office staff provide 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

PA funding for the Workforce Information/National Electronic Tools/System Building supports the operation and management of information and tools for the workforce investment system, including America's Career Information Network, MySkills MyFuture, My Next Move for Veterans, 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 therein.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$38,945	271
2010	\$42,986	239
2011	\$42,900	239
2012	\$42,819	242
2013	\$43,081	239

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FY 2014

The 2014 agency request of \$43,378,819 will support 239 FTE. As the economy stabilizes, there is a need to refocus the UI program on the following key areas: legislative reforms to strengthen the program moving forward; reemployment of UI claimants; increased program accountability and performance improvement; program integrity; and providing technical assistance to states to improve trust fund solvency. There is a clear need for FTE to assist with 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; do intensive work with “at-risk” states to address long-term poor performance; benchmark business processes for UI administration and to share best practices among states; 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 of 1974, as amended. 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. 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 are 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.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

During the year the Department provided technical assistance to states in a variety of UI Program areas. Twenty-one states requested and received assistance with updating or implementing the Department’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. The Department also provided substantial technical assistance to

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the Administration, congressional staff and state agencies working on extensions for Emergency Unemployment Compensation and provisions enacted through the Middle Class Tax Relief and Job Creation Act of 2012.

The Department also was engaged in overseeing implementation of various tools to assist states with UI operations and administration. The Department continued to facilitate implementation of the State Information Data Exchange System (an electronic database that allows firms to more efficiently report when employees are laid off). Twenty-nine states were operational during FY 2012. The Department also facilitated implementation of the Treasury Offset Program (TOP) which permits states to recover certain UI debts due to fraud from Federal income tax refunds. During 2012, 17 states implemented TOP and to date, have recovered over \$137 million in UI overpayments.

The Department also continued to ensure that UI integrity remained a top priority and developed 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 \$169.9 million was provided to 33 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, \$15 million was provided in supplemental funding to New York for the establishment of a UI Integrity Center of Excellence, with the goal of promoting the development and implementation of innovative integrity strategies, including the prevention and detection of fraud, in the UI program. The Department will continue to work with OMB, the President's Management Advisory Board (PMAB), and the National Association of State Workforce Agencies (NASWA) to implement this Center in partnership with New York.

The Department also awarded a total of \$65.5 million to 42 states in 2012 to implement or continue the Reemployment and Eligibility Assessment (REA) initiative for unemployment UI beneficiaries. This was the seventh year that the Department awarded REA grants. The funds are used to conduct in-person assessments in American Job 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.

WORKFORCE SECURITY

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
11.1	Full-time permanent	24,324	24,465	24,521	197
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	241	241	241	0
11.9	Total personnel compensation	24,565	24,706	24,762	197
12.1	Civilian personnel benefits	7,030	7,071	7,089	59
13.0	Benefits for former personnel	11	11	11	0
21.0	Travel and transportation of persons	422	422	422	0
22.0	Transportation of things	3	3	3	0
23.1	Rental payments to GSA	3,169	3,250	3,283	114
23.2	Rental payments to others	4	4	4	0
23.3	Communications, utilities, and miscellaneous charges	345	345	345	0
24.0	Printing and reproduction	5	5	5	0
25.1	Advisory and assistance services	236	236	236	0
25.2	Other services from non-Federal sources	140	140	140	0
25.3	Other goods and services from Federal sources 1/	4,827	4,827	5,017	190
25.4	Operation and maintenance of facilities	88	88	88	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	1,493	1,493	1,493	0
26.0	Supplies and materials	297	297	297	0
31.0	Equipment	183	183	183	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	42,818	43,081	43,378	560
1/Other goods and services from Federal sources					
	Working Capital Fund	4,637	4,637	4,827	190
	DHS Services	190	190	190	0

WORKFORCE SECURITY

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$197
Personnel benefits	59
One day more of pay	0
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	114
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	190
Other Federal sources (Census Bureau)	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	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 **\$560**

Net Program **\$0**

Direct FTE **0**

	Estimate	FTE
Base	\$43,378	239

NOTE: Base reflects actual FY 2012 FTE.

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	27,675	27,845	28,015	340
FTE	152	152	152	0

NOTE: FY 2012 reflects actual FTE. Authorized FTE for FY 2012 was 155.

Introduction

The Office of Apprenticeship (OA) administers the National Apprenticeship Act of 1937 (NAA), which established a foundation for developing and expanding the nation’s skilled workforce through Registered Apprenticeship programs, and produces standards for safeguarding the welfare of apprentices. OA oversees the administration of a Federal-State apprenticeship structure that registers apprenticeship training programs meeting national standards and provides outreach to employers and labor organizations to promote and develop high-quality apprenticeship programs. The NAA, also known as the Fitzgerald Act, directed the Department to formulate and promote labor standards to protect the welfare of the apprentice, to bring together employers and labor for the formulation of programs, and to cooperate with state agencies engaged in Registered Apprenticeship.

Federal resources provide the Federal staffing and field office infrastructure to support employers locally to develop, register, and maintain 21,000 Registered Apprenticeship programs in accordance with Federal requirements. Most program sponsors are small businesses that otherwise lack the resources or expertise to invest heavily in worker development and training. However, sponsors pay 100 percent of the program’s training costs and participant wages, resulting in a cost effective training model that provides participants with direct work experience and employer buy-in with minimal Federal investment. The approximately \$28 million public investment leverages an estimated \$1 billion in private sector resources annually. For this reason, Registered Apprenticeship continues to be one of the Federal workforce investments most successful at leveraging minimal public money to secure significant private investment.

The value of Registered Apprenticeship has been quantified in a recent third party evaluation by Mathematica Policy Research (MPR). The evaluation shows that for approximately \$718 in public investment, there is a \$61,000 return in net social benefits.^[1] Additionally, individual apprentices who complete their apprenticeship training were shown to earn approximately a quarter of a million dollars more in earnings than non-completers over the course of a career.

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. Each year, the number of Registered Apprenticeship programs increases by 800. OA is also responsible for providing technical assistance to 25 State Apprenticeship Agencies (SAA), the District of Columbia and

APPRENTICESHIP

Guam. These activities all contribute to the Department's vision: "*Built to Last: an American Economy Built on Skills for American Workers.*"

OA continues to provide leadership and basic oversight functions for the National Registered Apprenticeship system. In cooperation with 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 Guam; and
- Ensuring equal employment opportunity (EEO) in Registered Apprenticeship programs.

Across the nation there are over 21,000 Registered Apprenticeship programs providing apprenticeship opportunities to more than 358,000 active apprentices. The "Earn and Learn" strategy of Registered Apprenticeship contributes to the Department's success in achieving the Department'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 2014 program emphasis on creating job opportunities for the long-term unemployed.

Registered Apprenticeship programs are sponsored and operated on a voluntary basis by individual employers, employer associations, or jointly through labor/management agreements. Programs are enhanced through strategic partnerships consisting of community-based organizations, educational institutions, the workforce system, and other stakeholders. Registered Apprenticeship program sponsors develop a set of structured standards that include requirements for related (classroom) instruction and paid 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 an industry-issued, nationally-recognized portable certificate of completion issued by the Department or a SAA.

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

The critical element of Registered Apprenticeship is intensive on-the-job learning that formalizes skill transfer between an experienced worker and untutored apprentice. Combined with related theoretical instruction, this model directly translates into apprentices gaining the skills necessary to succeed in today's knowledge-based economy. Building upon Registered Apprenticeship's

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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 health care, energy, and transportation.

An 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: Breaking down barriers to fair and diverse workplaces so that every worker's contribution is respected.

At a time when employers increasingly indicate there is a growing mismatch between the demands of the jobs created and the skills of the available workers, Registered Apprenticeship collaboratively develops customized training plans that result in industry-issued, nationally-recognized credentials that create secure pathways to the middle-class and sustainable careers for its participants. According to the Bureau of Labor Statistics (BLS) employment projections for 2010-2020, occupations that typically incorporate apprenticeships are projected to grow by 22.5 percent, significantly faster than any other category of on-the-job training.^[2]

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$21,447	127
2010	\$27,784	155
2011	\$27,728	155
2012	\$27,676	155
2013	\$27,845	152

[1] See pages xv and xvi of "An Effectiveness Assessment and Cost Benefit Analysis of Registered Apprenticeship in 10 States" by Mathematica Policy Research. http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_10.pdf

[2] <http://www.bls.gov/news.release/ecopro.nr0.htm>

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FY 2014

The 2014 agency request of \$28,014,594 supports 152 FTE.

Performance data and a recent study demonstrate the value of Registered Apprenticeship. Program completers' average hourly wage is \$25, and the apprenticeship completers' average yearly salary is \$50,000. According to a recently published study of 10 states done by Mathematica Policy and Research (MPR), participants who completed a Registered Apprenticeship program had average earnings gains of nearly a quarter million dollars (\$240,037, increasing to \$301,533 when employer benefits are added) compared to nonparticipants over a career of 36 years. Furthermore, the estimated social benefits of Registered Apprenticeship exceed the social costs by nearly \$50,000.³

Enhanced Program Quality

OA staff routinely conduct quality assessments on new and existing programs to both ensure that program sponsors are adhering to the program's standards and to provide technical assistance, when needed. These assessments are conducted both remotely and onsite, depending on the curriculum. Outcomes from these assessments include revisions to program components, additions to the number of occupations included, and modifications to work outlines/curriculum to imbue the latest technology and industry standards.

The revised rule at Title 29 CFR part 29, §29.6, Program Performance Standards, focuses on improving the quality and performance of Registered Apprenticeship programs. The section includes the definition and use of completion rates. Completion rates measure the percentage of an apprenticeship cohort that receive a certificate of apprenticeship completion within one year of the expected completion date. Staff will focus efforts to assist program sponsors improve their completion rates through technical assistance, outreach, and better data management.

Expand Strategic Partnerships and Registered Apprenticeship Opportunities

OA will 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 industry sectors like health care and energy. 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, manufacturing 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, state and local governments, and public organizations, will support these strategic efforts.

³ http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_10.pdf

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Enhance Registered Apprenticeship Opportunities for Veterans

Building upon Departmental efforts begun in FY 2012 to implement the Veterans Opportunity to Work (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.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

Formalize Pre-Apprenticeship

The Department finalized a quality framework for pre-apprenticeship programs and strategies to ensure sustainable career pathways that link to Registered Apprenticeship programs and sponsors. Draft guidance for this framework was developed in coordination with the Secretary's ACA. A strategy to link Registered Apprenticeship programs with community-based and faith-based organizations was also addressed.

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 was coordinating with SAAs to address issues in these applications for recognition. OA granted recognition status to most of the 25 SAAs during FY 2012.

Expand Registered Apprenticeship Opportunities in Green Jobs

Registered Apprenticeship played 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 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.

APPRENTICESHIP

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 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.

APPRENTICESHIP

DETAILED WORKLOAD AND PERFORMANCE				
	FY 2012 Revised Enacted		FY 2013 Full Year C.R.	FY 2014 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.				
ETA-CH1- Six Months Average Earnings (Apprenticeship) RA- GPRA-03	\$19,352	\$23,409	\$19,999	\$23,682
Active Apprentices	239,706	--	241,110	241,110
ETA-CH1- Number of EEO Compliance Reviews Conducted by Apprenticeship Staff for Programs OA-VI-01 Employing Five of More Apprentices (Hist. ETA-CH1- RA-01)	584	635	750	775
Quality Reviews	1,168	--	1,200	1,250
ETA-CH1- Number of New Apprenticeship Programs OA-V-01 (Hist.ETA- CH1-RA- 02)	750	977	875	900
Quality Reviews for new programs one year after provisional registration since December 28, 2008	475	--	675	700
Cost per Apprentice	\$115.00	--	\$115.00	\$115.00

APPRENTICESHIP

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%	40.00%
Outcome Goal 1.4 - Help middle-class families remain in the middle class.				
ETA-CH1- Employment Retention Rate (Apprenticeship) RA- GPRA-02	79.10%	85.30%	79.60%	84.10%

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

⁽¹⁾ = To display a more timely view of the number of active apprentices managed by Office of Apprentice (OA) staff, the FY 2012 target for Active Apprentices (239,706) includes data managed by OA staff only based on the FY 2012 second quarter results.

⁽²⁾ = Assumes offsite monitoring procedures are used for all new programs employing less than five apprentices.

APPRENTICESHIP

Workload and Performance Summary

The National Apprenticeship System's *critical input* is the FTE allocated to OA; *critical outputs* include: (1) the number 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 assessment reviews for new programs conducted one year after provisional registration, as required by revised regulations. These outputs translate into measures of workload for OA's staff.

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 also will monitor and evaluate how the “earn and learn” strategy of Registered Apprenticeship and effective public-private partnerships contribute to the Department's success.

At a time when employers increasingly indicate there is a growing mismatch between the demands of the jobs created and the skills of the available workers, Registered Apprenticeship collaboratively develops customized training plans that result in industry issued, nationally-recognized credentials that create secure pathways to the middle-class and sustainable careers for its participants. According to Bureau of Labor Statistics, employment projections for 2010-2020, occupations that typically require apprenticeships are projected to grow by 22.5 percent, significantly faster than any other category of on-the-job training⁴.

Performance data and a recent study demonstrate the value of Registered Apprenticeship. The \$28 million public investment leverages an estimated \$1 billion in private sector resources annually. A recent third party evaluation by Mathematica Policy Research (pending final review) shows that for approximately \$718 in public investment, there is a \$63,000 return in net social benefits⁵. The bulk of Federal resources provide the Federal staffing and field office infrastructure to support employers locally to develop, register, and maintain programs in accordance with federal requirements. The vast majority of Registered Apprenticeship program sponsors are small businesses that otherwise lack the resources or expertise to heavily invest in worker development and training.

The revised rule Title 29 CFR part 29 includes a section, §29.6, Program Performance Standards, that focuses on improving the quality and performance of Registered Apprenticeship programs. This section also includes a definition of completion rates. The completion rate is the percentage of an apprenticeship cohort (group of individual apprentices registered to a specific program during a one year time frame) who receives a certificate of apprenticeship completion within one year of the expected completion date. The target for the National Completion Rate – a new measure – is 40 percent.

⁴ Bureau of Labor Statistics, Employment Projection, <http://www.bls.gov/news.release/ecopro.nr0.htm>

⁵ See pages xv and xvi of “An Effectiveness Assessment and Cost Benefit Analysis of Registered Apprenticeship in 10 States” by Mathematica Policy Research.

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The Department measures *outcomes* for the National Apprenticeship System through indicators of employment retention and six-month 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 to the Department per apprentice ranges between \$90 and \$120, depending on sponsor demand for new apprentices. This measure is derived by dividing the budget request amount by the projected number of active apprentices managed by OA staff for a given year. The cost per apprentice is only for the Federal functions of oversight and registration of apprenticeship programs and apprentices; it does not reflect the cost of the Registered Apprenticeship programs themselves, which generally are borne by the sponsor.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
11.1	Full-time permanent	14,526	14,612	14,639	113
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	144	144	144	0
11.9	Total personnel compensation	14,670	14,756	14,783	113
12.1	Civilian personnel benefits	4,205	4,226	4,239	34
13.0	Benefits for former personnel	7	7	7	0
21.0	Travel and transportation of persons	300	300	300	0
22.0	Transportation of things	2	2	2	0
23.1	Rental payments to GSA	1,363	1,426	1,435	72
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	221	221	221	0
24.0	Printing and reproduction	74	74	74	0
25.1	Advisory and assistance services	697	697	697	0
25.2	Other services from non-Federal sources	77	77	77	0
25.3	Other goods and services from Federal sources 1/	3,386	3,386	3,507	121
25.4	Operation and maintenance of facilities	60	60	60	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	2,291	2,291	2,291	0
26.0	Supplies and materials	158	158	158	0
31.0	Equipment	124	124	124	0
42.0	Insurance claims and indemnities	40	40	40	0
	Total	27,675	27,845	28,015	340
1/Other goods and services from Federal sources					
	Working Capital Fund	3,304	3,304	3,425	121
	DHS Services	82	82	82	0

APPRENTICESHIP

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$113
Personnel benefits	34
One day more of pay	0
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	72
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	121
Other Federal sources (Census Bureau)	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	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 **\$340**

Net Program **\$0**

Direct FTE **0**

Estimate **FTE**

Base **\$28,015** **152**

NOTE: Base reflects actual FY 2012 FTE.

EXECUTIVE DIRECTION

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	9,131	9,187	9,260	129
FTE	47	47	47	0

NOTE: FY 2012 reflects actual FTE. Authorized FTE for FY 2012 was 47.

Introduction

Executive Direction activities provide leadership and policy for all training and employment service programs and activities and provides for related program operations support, including research, evaluations, and demonstrations. The budget request provides for the Federal administration of Executive Direction. 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 (OASET) 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.

Through the active engagement of OASET 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; and
- 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.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$8,078	47
2010	\$9,166	47
2011	\$9,148	47
2012	\$9,131	47
2013	\$9,187	47

EXECUTIVE DIRECTION

FY 2014

The 2014 request of \$9,259,711 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 OASET and 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 the Congress that, if enacted, could positively or negatively impact the agency's ability to reach its outcome goals. OPDR also ensures that the Department and ETA priorities and expertise contribute to the development of policies, legislation and new programs government-wide.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full-year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

EXECUTIVE DIRECTION

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 the Congress as they work towards reauthorization of WIA 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 pilots to share aggregate wage information with WIA workforce partners;
- Supporting the development of regulations as outlined in the Regulatory Agenda;
- Developing the first ETA Five-Year Learning Agenda in collaboration with the Department's Office of the Chief Evaluation Officer; and
- Finalizing and disseminating 15 research and evaluation reports.

EXECUTIVE DIRECTION

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
11.1	Full-time permanent	5,066	5,088	5,106	40
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	51	51	51	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	5,117	5,139	5,157	40
12.1	Civilian personnel benefits	1,491	1,497	1,503	12
13.0	Benefits for former personnel	2	2	2	0
21.0	Travel and transportation of persons	70	70	70	0
22.0	Transportation of things	1	1	1	0
23.1	Rental payments to GSA	627	655	667	40
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	68	68	68	0
24.0	Printing and reproduction	100	100	100	0
25.1	Advisory and assistance services	283	283	283	0
25.2	Other services from non-Federal sources	23	23	23	0
25.3	Other goods and services from Federal sources 1/	905	905	942	37
25.4	Operation and maintenance of facilities	4	4	4	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	307	307	307	0
26.0	Supplies and materials	97	97	97	0
31.0	Equipment	36	36	36	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	9,131	9,187	9,260	129
1/Other goods and services from Federal sources					
	Working Capital Fund	867	867	904	37
	DHS Services	38	38	38	0

EXECUTIVE DIRECTION

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$40	
Personnel benefits	12	
One day more of pay	0	
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	40	
Rental payments to others	0	
Communications, utilities, and miscellaneous charges	0	
Printing and reproduction	0	
Advisory and assistance services	0	
Other services from non-Federal sources	0	
Working Capital Fund	37	
Other Federal sources (Census Bureau)	0	
Other Federal sources (DHS Charges)	0	
Other goods and services from Federal sources	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 **\$129**

Net Program **\$0**

Direct FTE **0**

	Estimate	FTE
Base	\$9,260	47

NOTE: Base reflects actual FY 2012 FTE.