

FY 2015

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Community Service Employment for Older Americans

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

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COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

Appropriation Language

The Administration is requesting funding for this program in the Department of Health and Human Services.

GENERAL PROVISION TO TRANSFER CSEOA FROM THE DEPARTMENT OF LABOR TO DEPARTMENT OF HEALTH AND HUMAN SERVICES

TRANSFER OF OLDER AMERICAN COMMUNITY SERVICE EMPLOYMENT PROGRAM TO DEPARTMENT OF HEALTH AND HUMAN SERVICES

- (a) *IN GENERAL.*-Notwithstanding any other provision of law, the Older American Community Service Employment (OACSE) program under title V of the Older Americans Act of 1965 (42 U.S.C. 3056), and the authority to administer such program, shall be permanently transferred from the Secretary of Labor to the Secretary of Health and Human Services, acting through the Assistant Secretary for Aging.
- (b) *TRANSFER OF FUNCTIONS, ASSETS, AND LIABILITIES.*-The functions, assets and liabilities of the Secretary of Labor relating to the OACSE program shall be transferred to the Secretary of Health and Human Services.
- (c) *EFFECTIVE DATE OF TRANSFER.*-The transfer under this section shall be effective no later than the last day of the second full fiscal quarter following the quarter in which this section is enacted.

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EXPLANATION OF LANGUAGE CHANGE

In FY 2015 and thereafter, the Administration has proposed to transfer responsibility for administering the Community Service Employment for Older Americans program authorized under Title V of the Older Americans Act (OAA), from the Department of Labor to the Department of Health and Human Services, which administers the other programs authorized under the OAA. The language providing for the transfer is contained in the General Provisions under Title V of this Act. The account for the appropriations to carry out the program is included in Title II under the appropriations to the Department of Health and Human Services.

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ANALYSIS OF APPROPRIATIONS LANGUAGE

Not applicable.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2013 Enacted		FY 2014 Enacted		FY 2015 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	\$448,251	0	\$434,371	0	\$0
Reduction Pursuant to P.L. 113-6 for FY 2013	0	-\$897	0	\$0	0	\$0
Reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985	0	-\$22,549	0	\$0	0	\$0
<i>Subtotal Appropriation</i>	<i>0</i>	<i>\$424,804</i>	<i>0</i>	<i>\$434,371</i>	<i>0</i>	<i>\$0</i>
B. Gross Budget Authority	0	\$424,805	0	\$434,371	0	\$0
Real Transfer From:	0	\$0	0	\$0	0	\$0
SUIESO	0	\$0	0	\$0	0	\$0
Offsetting Collections:						
Reimbursements	0	\$0	0	\$0	0	\$0
Fees	0	\$0	0	\$0	0	\$0
Expenditure Transfers to PA	0	\$0	0	\$0	0	\$0
<i>Subtotal Offsetting Collections</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>
C. Budget Authority	0	\$424,805	0	\$434,371	0	\$0
Before Committee	0	\$424,805	0	\$434,371	0	\$0
Real Transfer From:	0	\$0	0	\$0	0	\$0
SUIESO	0	\$0	0	\$0	0	\$0
Offsetting Collections:						
Reimbursements	0	\$0	0	\$0	0	\$0
Fees	0	\$0	0	\$0	0	\$0
Expenditure Transfers to PA	0	\$0	0	\$0	0	\$0
<i>Subtotal Offsetting Collections</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>
D. Total Budgetary Resources	0	\$424,805	0	\$434,371	0	\$0
Unobligated Balance End-of-Year	0	\$0	0	\$0	0	\$0
E. Total, Estimated Obligations	0	\$424,805	0	\$434,371	0	\$0

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2014 Enacted	FY 2015 Request	Net Change
Budget Authority			
General Funds	\$434,371	\$0	-\$434,371
Total	\$434,371	\$0	-\$434,371

Full Time Equivalents			
General Funds	0	0	0
Total	0	0	0

Explanation of Change	FY 2014 Base		FY 2015 Change				Total	
	FTE	Amount	Trust Funds		General Funds		FTE	Amount
			FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Grants, subsidies, and contributions	0	\$434,371	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	0	+\$434,371	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Increase	0	+\$434,371	0	\$0	0	\$0	0	\$0
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Agency Request	0	\$434,371	0	\$0	0	-\$434,371	0	-\$434,371
Programs Subtotal	0	\$0	0	\$0	0	-\$434,371	0	-\$434,371
Total Decrease	0	\$0	0	\$0	0	-\$434,371	0	-\$434,371
Total Change	0	+\$434,371	0	\$0	0	-\$434,371	0	-\$434,371

**COMMUNITY SERVICE EMPLOYMENT FOR OLDER
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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	FY 2013 Enacted		FY 2014 Enacted		FY 2015 Request		Diff. FY15 Request / FY14 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Community Service Employment for Older Americans	0	424,805	0	434,371	0	0	0	-434,371
General Funds	0	424,805	0	434,371	0	0	0	-434,371
Total	0	424,805	0	434,371	0	0	0	-434,371
General Funds	0	424,805	0	434,371	0	0	0	-434,371

**COMMUNITY SERVICE EMPLOYMENT FOR OLDER
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BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2013 Enacted	FY 2014 Enacted	FY 2015 Request	Diff. FY15 Request / FY14 Enacted
	Full-Time Equivalent				
	Total	0	0	0	0
41.0	Grants, subsidies, and contributions	424,805	434,371	0	-434,371
	Total	424,805	434,371	0	-434,371

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2005					
Base Appropriation...1/	\$440,200	\$440,200	\$442,306	\$436,678	0
2006					
Base Appropriation	\$436,678	\$440,200	\$440,200	\$432,311	0
2007					
Base Appropriation	\$432,311	\$436,678	\$436,678	\$483,611	0
Legislative Proposal	-\$44,000	\$0	\$0	\$0	0
2008					
Base Appropriation...2/	\$350,000	\$388,311	\$388,311	\$521,625	0
2009					
Base Appropriation...3/ 4/	\$350,000	\$530,900	\$483,611	\$571,925	0
2010					
Base Appropriation	\$575,425	\$0	\$571,925	\$825,425	0
2011					
Base Appropriation	\$600,425	\$615,425	\$575,425	\$449,100	0
2012					
Base Appropriation...5/	\$0	\$0	\$0	\$448,251	0
2013					
Base Appropriation...	\$0	\$0	\$0	\$448,251	0
Rescission	\$0	\$0	\$0	-\$897	0
Sequester	\$0	\$0	\$0	-\$22,549	0
2014					
Base Appropriation	\$0	\$0	\$0	\$434,371	0
2015					

1/ Reflects a 1.747% rescission pursuant to P.L. 110-161.

2/ This bill was only reported out of Subcommittee and was not passed by the Full House.

3/ \$120,000,000 in Recovery Act funds were provided pursuant to P.L. 111-5.

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

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

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2013 Enacted	FY 2014 Enacted	FY 2015 Request	Diff. FY15 Request / FY14 Enacted
Activity Appropriation	424,805	434,371	0	-434,371
FTE	0	0	0	0

Introduction

The Community Service Employment for Older Americans (CSEOA) program is also known as the Senior Community Service Employment Program (SCSEP). SCSEP supports employment of older workers by providing part-time, paid community service positions and work-based training for unemployed, low-income individuals, age 55 and older. SCSEP grantees served over 70,000 participants in the most recent 12-month period. While the income eligibility requirement allows participants at income levels up to 125 percent of the Federal poverty level, 88 percent of participants live at or below the poverty level¹. The average age of participants at entry is 64 years.

SCSEP, as authorized by Title V of the Older Americans Act (OAA), has a dual purpose: “to foster individual economic self-sufficiency and to increase the number of participants placed in unsubsidized employment in the public and private sectors, while maintaining the community service focus of the program.”

SCSEP grantees include 56 units of state and territorial government and 15 competitively-selected national grantees. SCSEP-funded services are available in nearly all 3,000 U.S. counties and territories. SCSEP funds are distributed by a statutorily-prescribed formula that considers the number of low-income seniors residing in each state and county.

The Department of Labor (DOL) continues to support the proposed transfer of SCSEP to the Department of Health and Human Services (HHS) Administration for Community Living in order to place the program in an agency that shares the mission of helping older Americans maintain their independence (both economic independence and living arrangements) and actively participate in their communities.

¹ Note that certain sources of income are disregarded in whole or in part from the income eligibility calculation, including (1) Unemployment compensation, (2) SSI, (3) VA benefits, and (4) 25% of Social Security Title II benefits.

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Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2010	\$825,425	0
2011	\$449,100	0
2012	\$448,251	0
2013	\$424,805	0
2014	\$434,371	0

Funding Mechanism

SCSEP funds are allocated by a formula set forth in section 506 of the OAA. In general, the formula allocates funds to every state, the District of Columbia, and Puerto Rico based on U.S. Census data on the number of individuals in that jurisdiction who are 55 and older with a low per-capita income. Prior to determining the amount available to be allocated to the states, the District of Columbia, and Puerto Rico, funds are reserved for the following: 1) up to 1.5 percent of the total authorization as determined by the Secretary of Labor for pilots, demonstration, and evaluation projects; 2) a fixed percentage of 0.75 percent of the total allocation to the territories of Guam, the U.S. Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands; and 3) a portion determined by the Secretary of Labor for national public or non-profit agencies to serve eligible American Indian and Pacific Island/Asian American individuals.

After the reserve amounts are specified and the funding proportion for each state is determined by the formula, funds are allocated to and administered through grants to all state governors, Puerto Rico, the District of Columbia, and four territories as well as national non-profit agencies. Approximately 22 percent of formula funds are awarded to the governors, with 78 percent awarded to national non-profit agencies for services across the country.

DOL conducted a competition for national grantees for FY/ PY 2012 funds. DOL announced grants to 15 grantees, including two organizations under the Indian and Pacific Islands /Asian Americans set-asides, as a result of this solicitation for grant applications. Under the OAA 2006 amendments, these grants are to be renewed annually for four years, with an optional one-year extension.

In general, 75 percent of Federal funds must be spent on wages and benefits to participants, with the remaining funds for other participant costs, with an option to use up to 10 percent of these funds for training. There is a 13.5 percent cap on administrative expenses. The Federal funds provided to each of the grantees can be no more than 90 percent of the total project amount, with the non-federal matching requirement to be provided either in cash or in kind.

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FY 2015

In FY 2015, the Department proposes to move SCSEP to the Administration for Community Living at HHS. SCSEP has a dual purpose of providing community service and fostering economic self-sufficiency. Transferring SCSEP to HHS would place the program in an agency that shares the mission of helping older Americans maintain their independence (both economic and living arrangements) and active participation in communities.

The SCSEP program has been administered since its inception in 1965 by DOL, making it the only program under the OAA that is not housed within HHS. The OAA is the primary authorizing regulation for delivery of social services to seniors and their caregivers. At the state and local level, these services work hand-in-hand with SCSEP. Of the 56 state and territorial grantees that operate SCSEP programs, 39 are offices on aging, senior services or health and human services departments, and 17 are in state departments of labor. A move to HHS would consolidate Federal oversight of the OAA under one department, streamlining operations and putting Federal administration of CSEOA in alignment with operations in the field.

Transferring SCSEP to HHS will also strengthen partnerships between SCSEP and safety-net programs outside the OAA. These include the Administration for Community Living's programs as well as utility discounts, food stamps, Social Security income (SSI), transportation assistance and subsidized housing. At the same time, SCSEP would continue to be a vehicle through which unemployed seniors obtain work-based training, earn income, and move toward unsubsidized employment. DOL will continue its partnership with HHS to support the needs of seniors by training older workers to help other seniors thrive in the workforce.

FY 2014

In FY 2014, the Department is developing enhanced resources to assist grantees to improve performance. These resources include new training materials and diagnostic tools to help grantees better use detailed performance data, in order to identify performance issues earlier and develop strategic resolution approaches. The Department is also developing a technical assistance library with new training modules to be accessed at any time through the Workforce3one Community of Practice, which also is used to facilitate peer-to-peer learning and best practices sharing. In addition, the Department will continue to encourage adoption of the effective practices identified in the Aging Worker Initiative.

FY 2013

In FY 2013, the 74 grantees provided low-income seniors with subsidized work experience in community service employment assignments. SCSEP served approximately 77,331 participants. The Department completed the transition to new grantees following the grant competition without disrupting services to participants. During FY 2013, the Department began to evaluate the data collection system which has been in place since 2006.

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DETAILED WORKLOAD AND PERFORMANCE						
	PY 2012 Enacted		PY 2013 Enacted		PY 2014 Enacted	PY 2015 Request
	Target	Result	Target	Result	Target	Target
Community Service Employment for Older Americans						
Strategic Goal 1 - Prepare workers for better jobs						
Strategic Objective 1.1 - Advance employment opportunities for US workers in 21st century demand sectors and occupations using proven training models and through increased employer engagement and partnerships						
ETA-CH1- Entered Employment Rate (CSEOA) SCSEP- GPRA-01	48.60%	41.70%	42.80%	--	43.90%	--
ETA-CH1- Six Months Average Earnings (CSEOA) SCSEP- GPRA-03	\$7,975.00	\$7,181.00	\$7,396.00	--	\$7,564.00	--
Authorized Positions (slots)	46,221	46,221	43,803	--	44,790	--
ETA-CH1- Employment Retention Rate (CSEOA) SCSEP- GPRA-02	70.10%	73.30%	73.40%	--	73.40%	--
Turnover Rate	1.53	1.53	1.53	1.53	1.53	--
Participants Served	70,718	70,718	67,019	--	68,528	--
Cost per Participant	\$6,338.56	\$6,338.56	\$6,338.58	--	\$6,338.58	--

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

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Workload and Performance Narrative

Note: The following narrative pertains to FY 2013 and FY 2014 only. The Workload and Performance Narrative for FY 2015 will be developed by Health and Human Services, Administration for Community Living.

SCSEP uses six measures to track performance outcomes and determine if the program is meeting the proposed targets: Entered Employment Rate, Six Months Average Earnings, Authorized Positions, Turnover Rate, Participants Served and Cost per Participant. Six Months Average Earnings indicates the average earnings in the second and third quarters after exit for those individuals who exit the program for unsubsidized employment. The number of authorized positions, turnover rate, and participants served and cost per participant are all directly related to allowance level. The number of authorized positions is calculated by dividing the total allowance by cost per position. The cost per position is determined by a formula in the SCSEP legislation. The national average unit cost includes all costs of administration, other participant costs, and participant wage and benefit costs as defined in Section 506(g) of the Older Americans Act. As previously noted, the cost per participant (shown in the above chart) is lower than the cost per position based on the turnover rate. Participant data is derived by using quarterly report estimates. All numbers are calculated on a four rolling quarter basis.

SCSEP also measures entered employment and employment retention in order to support progress toward the goal of helping workers who are in low-wage jobs or out of the labor market find a path to middle class jobs. In addition to these common performance measures, SCSEP is statutorily required to measure a series of additional outcomes, such as the aggregate hours of community service employment, the number of most-in-need individuals served, and retention in unsubsidized employment for one year. An annual customer satisfaction survey of participants, host agencies and employers is also required. Performance targets are set for the program based on grantees' actual performance and adjusted grantee-by-grantee to the degree that they are affected by levels of poverty, unemployment, and participant barriers to employment in their local service areas.

The targets for entered employment, retention, and average earnings are based on a methodology for setting national performance targets using regression analysis. This regression uses program results from the prior year, current labor market conditions, and individual characteristics to correct for the effects of the business cycle and labor market conditions on the outcomes of employment and training programs, producing targets that objectively reflect the impact of the economic environment on program performance.

Where final data, rather than estimates, have been used to derive targets, the sources of these data are the SCSEP quarterly progress reports generated by the SCSEP Performance and Results Quarterly Progress Report (SPARQ) system, an online data collection and performance reporting system.

To gauge grantee progress toward the above targets, DOL tracks and monitors grantee outputs through intensive and ongoing program monitoring and oversight activities. Aggregate and

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grantee-level data from the SPARQ system is used to generate quarterly reports on performance. This information aids Federal Project Officers during on-site and desk reviews, as well as national office staff members who track the performance on a regular basis. The Department aims to improve grantee performance through the technical assistance strategies used to support grantees, including webinars, desk aids, conferences, and regular conference calls and other communication with grantees. The annual customer satisfaction survey is conducted and reviewed by stakeholders, including DOL, grantees and employers. The survey provides insight on strengths and weaknesses of the program to aid in continuous program improvement efforts.

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CHANGES IN FY 2015 (Dollars in Thousands)

Activity Changes		
Built-In		
To Provide For:		
Grants, subsidies, and contributions		\$0
Built-Ins Subtotal		\$0
Net Program		-\$434,371
Direct FTE		0
	Estimate	FTE
Base	\$434,371	0
Program Increase	\$0	0
Program Decrease	-\$434,371	0