

FY 2016

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Training and Employment Services

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TRAINING AND EMPLOYMENT SERVICES

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TRAINING AND EMPLOYMENT SERVICES

TRAINING AND EMPLOYMENT SERVICES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Workforce Innovation and Opportunity Act (referred to in this Act as "WIOA"), the Second Chance Act of 2007, *and the National Apprenticeship Act*, [and the Women in Apprenticeship and Non-Traditional Occupations Act of 1992 ("WANTO Act"), \$3,139,706,000,] \$3,402,431,000 plus reimbursements, shall be available. Of the amounts provided:

(1) for grants to States for adult employment and training activities, youth activities, and dislocated worker employment and training activities, [\$2,624,108,000] \$2,709,832,000 as follows:

(A) [\$776,736,000] \$815,556,000 for adult employment and training activities, of which [\$64,736,000] \$103,556,000 shall be available for the period July 1, [2015] 2016, through June 30, [2016] 2017, and of which \$712,000,000 shall be available for the period October 1, [2015] 2016 through June 30, [2016] 2017;

(B) [\$831,842,000] \$873,416,000 for youth activities, which shall be available for the period April 1, [2015] 2016 through June 30, [2016] 2017; and

(C) [\$1,015,530,000] \$1,020,860,000 for dislocated worker employment and training activities, of which [\$155,530,000] \$160,860,000 shall be available for the period July 1, [2015] 2016 through June 30, [2016] 2017, and of which \$860,000,000 shall be available for the period October 1, [2015] 2016 through June 30, [2016] 2017: *Provided*, That notwithstanding section 128(a)(1) of the WIOA, the amount available to the Governor for statewide workforce investment activities shall not exceed 10 percent of the amount allotted to the State from each of the appropriations under the preceding subparagraphs; *and*

(2) for [federally administered] *national* programs, [\$429,520,000] \$692,599,000 as follows:

(A) [\$220,859,000] \$240,859,000 for the dislocated workers assistance national reserve, of which [\$20,859,000] \$40,859,000 shall be available for the period July 1, [2015] 2016 through September 30, [2016] 2017, and of which \$200,000,000 shall be available for the period October 1, [2015] 2016 through September 30, [2016] 2017: *Provided*, That funds provided to carry out section 132(a)(2)(A) of the WIOA may be used to provide assistance to a State for statewide or local use in order to address cases where there have been worker dislocations across multiple sectors or across multiple local areas and such workers remain dislocated; coordinate the State workforce development plan with emerging economic development needs; and train such eligible dislocated workers: *Provided further*, That funds provided to carry out sections 168(b) and 169(c) of the WIOA may be used for technical assistance and demonstration projects, respectively, that provide assistance to new entrants in the workforce, *adults without unemployment who are not dislocated workers*, and incumbent workers [: *Provided further*, That notwithstanding section 168(b) of the WIOA and section 170(b) of the Workforce Investment Act of 1998 (referred to in this Act as "WIA"), of the funds provided under this subparagraph,

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and the funds available from the appropriation under this subparagraph under the authority of the WIA in Public Law 113–76, the Secretary of Labor (referred to in this title as "Secretary") may reserve not more than 10 percent of such funds to provide technical assistance and carry out additional activities related to the transition to the WIOA;];

(B) [~~\$46,082,000~~] ~~\$50,000,000~~ for Native American programs *under Section 166 of the WIOA*, which shall be available for the period July 1, [~~2015~~] ~~2016~~ through June 30, [~~2016~~] ~~2017~~;

(C) \$81,896,000 for migrant and seasonal farmworker programs under section 167 of the WIOA, including \$75,885,000 for formula grants (of which not less than 70 percent shall be for employment and training services), \$5,517,000 for migrant and seasonal housing (of which not less than 70 percent shall be for permanent housing), and \$494,000 for other discretionary purposes, which shall be available for the period July 1, [~~2015~~] ~~2016~~ through June 30, [~~2016~~] ~~2017~~: *Provided*, That notwithstanding any other provision of law or related regulation, the Department of Labor shall take no action limiting the number or proportion of eligible participants receiving related assistance services or discouraging grantees from providing such services;

[(D) \$994,000 for carrying out the WANTO Act, which shall be available for the period July 1, 2015 through June 30, 2016; and]

[(E) ~~\$79,689,000~~] (~~D~~) ~~\$84,534,000~~ for YouthBuild activities as described in section 171 of the WIOA, which shall be available for the period April 1, [~~2015~~] ~~2016~~ through June 30, [~~2016~~] ~~2017~~; and

(E) \$3,232,000 for technical assistance activities under section 168 of the WIOA, which shall be available for the period July 1, 2016 through June 30, 2017;

(F) \$95,078,000 for ex-offender activities, under the authority of section 169 of the WIOA and section 212 of the Second Chance Act of 2007, which shall be available for the period April 1, 2016 through June 30, 2017: *Provided*, That of this amount, \$20,000,000 shall be for competitive grants to national and regional intermediaries for activities that prepare young ex-offenders and school dropouts for employment, with a priority for projects serving high-crime, high-poverty areas;

(G) \$37,000,000 for the Workforce Data Quality Initiative, under the authority of section 169 of the WIOA, which shall be available for the period July 1, 2016 through June 30, 2017;

(H) \$100,000,000 to expand opportunities relating to apprenticeship programs registered under the National Apprenticeship Act, to be available to the Secretary of Labor to carry out activities through grants, cooperative agreements, contracts and other arrangements, with States and other appropriate entities, which shall be available for the period April 1, 2016 through June 30, 2017.

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[(3) for national activities, \$86,078,000, as follows:

(A) \$82,078,000 for ex-offender activities, under the authority of section 169 of the WIOA and section 212 of the Second Chance Act of 2007, which shall be available for the period April 1, 2015 through June 30, 2016: *Provided*, That of this amount, \$20,000,000 shall be for competitive grants to national and regional intermediaries for activities that prepare young ex-offenders and school dropouts for employment, with a priority for projects serving high-crime, high-poverty areas; and

(B) \$4,000,000 for the Workforce Data Quality Initiative, under the authority of section 169 of the WIOA, which shall be available for the period July 1, 2015 through June 30, 2016.]
(*Department of Labor Appropriations Act, 2015.*)

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EXPLANATION OF LANGUAGE CHANGE

The Administration proposes several changes for FY 2016 to the appropriations language under the Training and Employment Services (TES) heading from the language enacted in FY 2015.

In the paragraph preceding paragraph (1), a reference to the “National Apprenticeship Act” is added since paragraph (2)(G) under this heading contains requested appropriations to expand opportunities relating to apprenticeship programs registered under that Act.

Also in the paragraph preceding paragraph (1), the reference to the Women in Apprenticeship and Non-Traditional Occupations Act of 1992 (WANTO) is deleted since the Administration is not requesting funding in FY 2016 to carry out that Act. Other workforce programs are available to more efficiently and effectively provide the assistance currently provided under WANTO.

In the language in paragraph (2) preceding subparagraph (A), the language is changed from “federally-administered programs” to “national programs.” This reflects a structural language change from the enacted FY 2015 language to consolidate into one paragraph the activities that in the enacted language had been separated into two paragraphs under the headings of “federally-administered programs” in paragraph (2), and “national activities” in paragraph (3), respectively. Since under WIOA the activities funded under those paragraphs are generally authorized under subtitle D of title I, which is entitled “national programs”, the proposed language includes these activities under a single paragraph (2) that is also entitled “national programs.” Individual appropriations are reordered to follow the structure of WIOA.

Under paragraph (2)(A), language is added providing that funds used for technical assistance and pilots and demonstrations under the National Reserve may be used to provide assistance to “adults without employment who are not dislocated workers.” The FY 2015 enacted language had provided that such assistance could be provided to new entrants and incumbent workers as well as dislocated workers, and this proposed addition would allow the assistance to be available to the comprehensive array of workers served under WIOA.

Also under paragraph (2)(A) language is deleted that authorized the Secretary to increase the percentage of funds reserved for technical assistance in the National Reserve from 5 to 10 percent and allowed those funds to be used by the Secretary of Labor for activities to facilitate the transition from WIA to WIOA, in addition to technical assistance. Such transition assistance was needed only on a one-time basis for relating to the transition to WIOA and therefore is not requested for FY 2016.

Under paragraph (2)(B), a reference to section 166 of WIOA that authorizes the Native American programs is added for consistency with the references to the sections authorizing other national programs.

The paragraph (2)(D) that was included in the FY 2015 enacted language appropriating funds for WANTO is deleted since, as described with respect to the deletion of the reference to WANTO in the paragraph preceding paragraph (1), the Administration is not requesting funds to carry out WANTO in FY 2016.

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A new paragraph (2)(E) is added that contains requested funds for technical assistance under the authority of section 168 of WIOA, which would be used to assist States and other grantees in improving performance and in other aspects of implementing activities authorized under WIOA.

Paragraph (2)(F) contains the requested appropriation to carry out activities relating to ex-offenders that was contained in paragraph (3)(A) of the FY 2015 enacted language.

Paragraph (2)(G) contains the requested appropriation to carry out the Workforce Data Quality Initiative that was contained in paragraph (3)(B) of the FY 2015 enacted language.

Paragraph (2)(H) contains a requested appropriation for activities to expand opportunities relating to apprenticeship programs registered under the National Apprenticeship program, as was described in explaining the addition of the reference to that Act contained in the language preceding paragraph (1).

Paragraph (3) of the FY 2015 enacted language is eliminated because, as mentioned above in the description of the language change to paragraph (2), the appropriations for the activities previously contained under this paragraph have been included under paragraph (2) in order to conform the structure of the language under this heading to the structure of title I of WIOA.

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ANALYSIS OF APPROPRIATION LANGUAGE

Not applicable.

TRAINING AND EMPLOYMENT SERVICES

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	2014		2015		2016	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	\$1,376,855	0	\$1,367,706	0	\$1,630,431
<i>Subtotal Appropriation</i>	<i>0</i>	<i>\$1,376,855</i>	<i>0</i>	<i>\$1,367,706</i>	<i>0</i>	<i>\$1,630,431</i>
Offsetting Collections From:						
Fees	0	\$161,401	0	\$127,799	0	\$134,125
<i>Subtotal Appropriation Offsetting Collections</i>	<i>0</i>	<i>\$161,401</i>	<i>0</i>	<i>\$127,799</i>	<i>0</i>	<i>\$134,125</i>
Advance Appropriation	0	\$1,772,000	0	\$1,772,000	0	\$1,772,000
<i>Subtotal Advance Appropriation</i>	<i>0</i>	<i>\$1,772,000</i>	<i>0</i>	<i>\$1,772,000</i>	<i>0</i>	<i>\$1,772,000</i>
B. Gross Budget Authority	0	\$3,310,256	0	\$3,267,505	0	\$3,536,556
Offsetting Collections From:						
Fees	0	-\$161,401	0	-\$127,799	0	-\$134,125
Advance Appropriation	0	\$0	0	\$0	0	\$0
<i>Subtotal</i>	<i>0</i>	<i>-\$161,401</i>	<i>0</i>	<i>-\$127,799</i>	<i>0</i>	<i>-\$134,125</i>
C. Budget Authority Before Committee	0	\$3,148,855	0	\$3,139,706	0	\$3,402,431
Offsetting Collections From:						
Prior Year Balance	0	\$0	0	\$0	0	\$0
Fees	0	\$161,401	0	\$127,799	0	\$134,125
Advance Appropriation	0	\$0	0	\$0	0	\$0
<i>Subtotal</i>	<i>0</i>	<i>\$161,401</i>	<i>0</i>	<i>\$127,799</i>	<i>0</i>	<i>\$134,125</i>
D. Total Budgetary Resources	0	\$3,310,256	0	\$3,267,505	0	\$3,536,556
Unobligated Balances Expiring	0	-\$350	0	\$0	0	\$0
E. Total, Estimated Obligations	0	\$3,309,906	0	\$3,267,505	0	\$3,536,556

TRAINING AND EMPLOYMENT SERVICES

SUMMARY OF CHANGES

(Dollars in Thousands)

	2015	2016	Net Change
Budget Authority			
General Funds	\$3,139,706	\$3,402,431	+\$262,725
Total	\$3,139,706	\$3,402,431	+\$262,725
 Full Time Equivalents			
General Funds	0	0	0
Total	0	0	0

FY 2016 Change

Explanation of Change	FY 2015 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	0	\$0	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$0	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$0	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$0	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$0	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$3,139,706	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	0	+\$3,139,706	0	\$0	0	\$0	0	\$0
B. Programs:								
Apprenticeship Grants	0	\$0	0	\$0	0	\$100,000	0	\$100,000
Youth Employment and Training Activities	0	\$831,842	0	\$0	0	\$41,574	0	\$41,574
Adult Employment and Training Activities	0	\$776,736	0	\$0	0	\$38,820	0	\$38,820
Workforce Data Quality Initiative	0	\$4,000	0	\$0	0	\$33,000	0	\$33,000
National Reserve	0	\$220,859	0	\$0	0	\$20,000	0	\$20,000
Reintegration of Ex-Offenders	0	\$82,078	0	\$0	0	\$8,000	0	\$8,000
Dislocated Worker Employment and Training Activities	0	\$1,015,530	0	\$0	0	\$5,330	0	\$5,330
Law Enforcement Services Career Pathways Program	0	\$0	0	\$0	0	\$5,000	0	\$5,000
YouthBuild	0	\$79,689	0	\$0	0	\$4,845	0	\$4,845
Indian and Native American Programs	0	\$46,082	0	\$0	0	\$3,918	0	\$3,918
Technical Assistance	0	\$0	0	\$0	0	\$3,232	0	\$3,232
Programs Subtotal	0	\$0	0	\$0	0	+\$263,719	0	+\$263,719

TRAINING AND EMPLOYMENT SERVICES

Explanation of Change	FY 2016 Change							
	FY 2015 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Total Increase	0	+\$3,139,706	0	\$0	0	+\$263,719	0	+\$263,719
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Women in Apprenticeship	0	\$994	0	\$0	0	-\$994	0	-\$994
Programs Subtotal			0	\$0	0	-\$994	0	-\$994
Total Decrease	0	\$0	0	\$0	0	-\$994	0	-\$994
Total Change	0	+\$3,139,706	0	\$0	0	+\$262,725	0	+\$262,725

TRAINING AND EMPLOYMENT SERVICES

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	2014		2015		2016		Diff. 2016 / 2015	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Adult Employment and Training Activities	0	766,080	0	776,736	0	815,556	0	38,820
General Funds	0	766,080	0	776,736	0	815,556	0	38,820
Formula Grants	0	766,080	0	776,736	0	815,556	0	38,820
General Funds	0	766,080	0	776,736	0	815,556	0	38,820
Youth Activities	0	820,430	0	831,842	0	873,416	0	41,574
General Funds	0	820,430	0	831,842	0	873,416	0	41,574
Youth Employment and Training Activities	0	820,430	0	831,842	0	873,416	0	41,574
General Funds	0	820,430	0	831,842	0	873,416	0	41,574
Dislocated Workers Employment and Training Activities	0	1,222,457	0	1,236,389	0	1,261,719	0	25,330
General Funds	0	1,222,457	0	1,236,389	0	1,261,719	0	25,330
Formula Grants	0	1,001,598	0	1,015,530	0	1,020,860	0	5,330
General Funds	0	1,001,598	0	1,015,530	0	1,020,860	0	5,330
National Dislocated Worker Grants	0	220,859	0	220,859	0	240,859	0	20,000
General Funds	0	220,859	0	220,859	0	240,859	0	20,000
Indian and Native American Programs	0	46,082	0	46,082	0	50,000	0	3,918
General Funds	0	46,082	0	46,082	0	50,000	0	3,918

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	2014		2015		2016		Diff. 2016 / 2015	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Migrant and Seasonal Farmworkers	0	81,896	0	81,896	0	81,896	0	0
General Funds	0	81,896	0	81,896	0	81,896	0	0
Technical Assistance	0	0	0	0	0	3,232	0	3,232
General Funds	0	0	0	0	0	3,232	0	3,232
Reintegration of Ex-Offenders	0	80,078	0	82,078	0	95,078	0	13,000
General Funds	0	80,078	0	82,078	0	95,078	0	13,000
Apprenticeship Grants	0	0	0	0	0	100,000	0	100,000
General Funds	0	0	0	0	0	100,000	0	100,000
Workforce Data Quality Initiative	0	6,000	0	4,000	0	37,000	0	33,000
General Funds	0	6,000	0	4,000	0	37,000	0	33,000
YouthBuild	0	77,534	0	79,689	0	84,534	0	4,845
General Funds	0	77,534	0	79,689	0	84,534	0	4,845
Workforce Innovation Fund	0	47,304	0	0	0	0	0	0
General Funds	0	47,304	0	0	0	0	0	0
Women in Apprenticeship	0	994	0	994	0	0	0	-994
General Funds	0	994	0	994	0	0	0	-994

TRAINING AND EMPLOYMENT SERVICES

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	2014		2015		2016		Diff. 2016 / 2015	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Total	0	3,148,855	0	3,139,706	0	3,402,431	0	262,725
General Funds	0	3,148,855	0	3,139,706	0	3,402,431	0	262,725

TRAINING AND EMPLOYMENT SERVICES

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		2014	2015	2016	Diff. 2016 / 2015
	Full-Time Equivalent				
	Total	0	0	0	0
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
22.0	Transportation of things	0	0	0	0
24.0	Printing and reproduction	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	0	0	0	0
25.7	Operation and maintenance of equipment	0	0	0	0
41.0	Grants, subsidies, and contributions	3,148,855	3,139,706	3,402,431	262,725
	Total	3,148,855	3,139,706	3,402,431	262,725

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SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEES' REPORTS

Statement of Managers

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The agreement includes language that allows the Secretary to transfer and utilize additional funds to provide technical assistance activities related to the implementation of the WIOA. The additional funds are intended to be a one-time provision only. The agreement expects the Department to use the funds to help implement the WIOA as quickly and effectively as possible.

ETA Response: ETA agrees that effective and robust technical assistance is critical to the success of the WIOA implementation. With this transfer authority, as well as other investments in technical assistance, ETA is committed to providing high-quality technical assistance to the public workforce system that will speed the transition to WIOA and ultimately result in increased return on investment, cost efficiencies, and improved services to jobseekers and employers.

Statement of Managers

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In January 2011, the Government Accountability Office (GAO) issued a report entitled "Multiple Employment and Training Programs" (GA0-11-92) and stated that "even when programs overlap, the services they provide and the populations they serve may differ in meaningful ways." The agreement supports efforts by the Department to work with other agencies, specifically the Department of Health and Human Services, to evaluate the delivery strategies and increase administrative efficiencies in employment and training programs.

Not later than 180 days after enactment of this act, the Department, in collaboration with the other agencies identified in the GAO report, shall submit to the House and Senate Committees on Appropriations a report on the status of efforts to implement the GAO recommendation to facilitate further progress by States and localities in increasing administrative efficiencies in employment and training programs. The report should also include how the Department is supporting improved collaboration among job training programs in response to GAO Report 12-97 entitled "Innovative Collaborations between Workforce Boards and Employers Helped Meet Local Needs."

ETA Response: With the passage of WIOA, ETA believes that many of the legislative barriers to streamlining the delivery of employment and training services and increasing administrative efficiencies across programs will be reduced. ETA, in coordination with the Departments of Health and Human Services and Education, will provide a report that will address recent efforts under WIOA to:

- Establish unified strategic planning across "core" programs, which includes Title I Adult, Dislocated Worker and Youth programs, Adult Education and Literacy programs, the Wagner-Peyser Employment Service, and Title I of the Rehabilitation Act programs;
- Strengthen the role of boards in coordinating and aligning workforce programs and implementing evidence-based strategies to meet worker and employer needs;

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- Foster regional collaboration to meet the needs of local economies, including requiring local areas to coordinate planning and service delivery on a regional basis; and
- Co-locate the Wagner-Peyser Employment Service in the American Job Center system and add the Temporary Assistance for Needy Families program as a mandatory partner.

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APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2005	2,863,292	2,649,728	2,914,662	2,879,183	0
2005 Advance for 2006	2,438,000	2,463,000	2,463,000	2,439,620	
2006	3,404,949	2,658,792	2,787,806	2,625,888	0
2006 Advance for 2007	2,463,000	2,463,000	2,463,000	2,438,000	
2007	1,949,405	2,504,209	996,832	2,791,341	0
2007 Advance for 2008	2,463,000	1,772,000	1,772,000	1,741,043	
2008	2,776,972	1,758,530	1,815,138	1,804,268	0
2008 Advance for 2009	1,772,000	0	1,772,000	1,772,000	
2009	1,338,600	0	1,854,448	1,854,448	0
2009 Advance for 2010	1,772,000	1,772,000	0	1,772,000	
2010	2,061,563	2,030,961	0	2,056,530	0
2010 Advance for 2011	1,772,000	0	0	1,772,000	
2011	2,153,475	0	2,105,478	1,572,497	0
2011 Advance for 2012	1,772,000	0	1,772,000	1,768,651	
2012	1,854,947	0	1,538,247	1,420,692	0
2012 Advance for 2013	1,772,000	0	0	1,772,000	
2013	1,459,812	0	0	0	0
2013 Advance for 2014	1,772,000	0	0	1,772,000	
2014	1,615,405	0	0	0	0
2014 Advance for 2015	1,772,000	0	0	1,772,000	
2015	1,483,507	0	0	1,367,706	0
2015 Advance for 2016	1,772,000	0	0	1,772,000	
2016	1,630,431				0

^{1/} Reflects a 0.80% across-the-board rescission pursuant to P.L. 108-447

^{2/} Reflects a portion of \$18,000,000 rescission to Labor/HHS/Educ pursuant to P.L. 108-447.

^{3/} Reflects a 1.0% government-wide rescission pursuant to P.L.109-148.

^{4/} Reflects a \$25,000,000 decrease in Job Corps Construction, Rehabilitation, and Acquisition

^{5/} Reflects 1.747% rescission pursuant to P.L. 110-161.

^{6/} Excludes \$250,000,000 for Recovery Act pursuant to P.L. 111-5.

^{7/} This bill was only reported out of Subcommittee and was not passed by the Full House.

^{8/} Reflects a 0.2% across-the-board rescission pursuant to P.L. 112-10.

^{9/} Reflects a 0.189% across-the-board rescission pursuant to P.L. 112-74.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	2014	2015	2016	Diff. 2016 / 2015
Activity Appropriation	766,080	776,736	815,556	38,820
FTE	0	0	0	0

Introduction

The Workforce Innovation and Opportunity Act (WIOA) was signed into law on July 22, 2014 and is the first reform of the public workforce system in more than 15 years. The WIOA Adult program provides employment and training services for disadvantaged, low-skilled, unemployed, and underemployed adults and is a core program under the Act. The Adult program will undergo dramatic transformation throughout Program Years (PY) 2015 and 2016 as WIOA provisions are implemented and the program is further aligned with the Job-Driven Training Vision in order to address the following problems: employers cannot find enough skilled workers for in-demand jobs, education and training programs need better information on the skills required by in-demand jobs, and hardworking Americans often are not sure what type of training to pursue and whether jobs will be available when they finish that training.

The program is intended to achieve the following:

- (A) Provide job seekers with job placement, career counseling, skills training, credential attainment, and labor exchange services that make it possible for disadvantaged, low-skilled, and underemployed adult workers to quickly return to work;
- (B) Reemploy veterans by prioritizing service to them and their eligible spouses; and
- (C) Offer seamless service delivery by providing multiple workforce-related programs in consolidated American Job Centers, which can maximize the Federal investment in workforce services through economies of scale.

The Adult program directly served 6.7 million participants in the 12 month period ending June 30, 2013, in addition to 5.2 million participants who received self-services only. Some 165,000 adults received job training. Of the Adults who exited the program in 2013, 60.1 percent entered employment, and 82.7 percent of those individuals retained their job for six months after entry into employment. Six months after exiting, their average earnings for this half year period were \$13,050.¹

For the latest full year for which participant characteristics are published (April 2012 through March 2013), the vast majority of exiters had been either jobless or had received a layoff notice (84.1 percent) at the time they entered the program, while the other 15.9 percent had been

¹ ETA unpublished data

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employed. In the three months before entering the program, 28.1 percent had no earnings, another 38.9 percent earned less than \$5,000, and only 11.1 percent had earned at least \$10,000.²

Despite economic growth and falling unemployment rates, the size of the adult population in need of WIOA services remains well above pre-recession levels. This is due to a large number of working-age individuals who are not working and not reflected in unemployment rates.

Using Census Bureau data, beginning in 2006, the low-income (less than 150 percent of the poverty line) adult population aged 22 to 64 who did not work for at least part of the year rose steadily from 20.1 million to a peak of 27.2 million in 2011, before falling slightly to 27.1 million in 2012. Therefore, despite a steady drop in unemployment rates, the population most in need of WIOA Adult services has grown by one-third since the pre-recession level.

In 2006, slightly more than one-third (34.1 percent) of adults aged 22-64 experienced some period of not working, but this proportion rose to 39.2 percent in 2010 before dropping slightly to 38.1 percent in 2012. For low-income individuals, the proportion grew from 68.1 percent in 2006 to 73.2 percent in 2010, before falling slightly to 71.9 percent in 2012.

The less-educated adults who constitute the nearly three-fifths of Adult program exiters face serious disadvantages compared to those with more education. During the past two decades, even the worst unemployment rates among those with a bachelor's degree or more were less than the unemployment rates of those with less than a high school diploma during the most prosperous years. For employment-to-population ratios (i.e., the proportion of the population that is employed), the gap between the best- and the least-educated individuals has narrowed over time, but still remains extremely wide — in 2012, the ratio was 73 percent for those with at least a Bachelor's degree, versus 40 percent for those with less than high school.³

During the past two decades, inflation-adjusted earnings have generally stagnated for those with less than a high school diploma, while rising modestly for those with more education. The average earnings ratio between less than a high school diploma and those with higher educational attainments has generally risen since 1994.⁴

Due to these economic realities, the Administration is requesting a five percent increase in funding for the Adult program. This increase will primarily provide additional funds to local areas for service delivery, which will allow for the provision of badly-needed job placement, career counseling, skills training, credential attainment, and labor exchange services.

A 2011 evaluation of Washington State's workforce programs found that adults served through the Workforce Investment Act (WIA) had higher employment and earnings than non-participants

² Social Policy Research Associates, *PY 2012 WIASRD Data Book*, prepared for ETA, December 2, 2013 (<http://www.doleta.gov/performance/results/pdf/PY2012WIASRDDDataBook.pdf>), pp. 22-23

³ See ETA's historical review of unemployment rates and the employment-to-population ratio by educational attainment for adults aged 25 or older, at <https://winwin.workforce3one.org/view/2001316557106346438/info>.

⁴ Review of unpublished U.S. Bureau of Labor Statistics data on weekly earnings by educational attainment

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three quarters following their participation in the program.⁵ Similarly, a 2008 study of 12 states found “large and immediate impacts on earning and employment for individuals who participated in the WIA adult program,”⁶ while a 2005 study of WIA services in seven states found that WIA participants, especially those who received training, were more likely to be employed and to have higher earnings than non-participants.⁷

For Program Year (PY) 2013, WIA Adult data also show that the Entered Employment Rate was 76.1 percent for program participants who received training, compared to only 64.6 percent for those who did not receive training services, and only 57.0 percent for those individuals who only received core services.⁸ The Employment Retention Rate and Six-Month Average Earnings for individuals who received training services were also significantly higher than those of participants who only received core and intensive services. Individuals who received training services had an Employment Retention Rate of 87.9 percent and Six Months Average Earnings of \$15,106 compared to an Employment Retention Rate of 82.0 percent and Six Months Average Earnings of \$12,886 for those who did not receive training. Those individuals who only received core services had an Employment Retention Rate of 80.2 percent, and Six-Month Average Earnings of only \$12,377.⁹

In addition to the evidence cited above, the Department of Labor (Department) is now evaluating WIA formula programs. In 2015, the first impact findings from the WIA Adult and Dislocated Worker Programs Gold Standard Evaluation (WGSE) are expected. The WGSE is a random-assignment evaluation of the formula programs’ impacts on participants’ post-program employment and earnings and their cost effectiveness. The evaluation will provide critical insight on the impact and cost effectiveness of intensive and training services for participants in the WIA program. The Department also received a Veterans’ Supplemental Study Report draft in the fall of 2014, the first evaluation report on implementation from the WIA Gold Standard Evaluation of the Adult and Dislocated Worker formula programs is expected during the spring of 2015, the first impact report in early 2016, and the final report in the spring of 2017.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2011	\$769,576	0
2012	\$770,811	0
2013	\$730,624	0
2014	\$766,080	0
2015	\$776,736	0

⁵ Washington State Workforce Training and Education Coordinating Board, Results of the Net Impact Study of 12 Workforce Programs, April 2011.

⁶ Carolyn Heinrich, Peter Mueser and Kenneth Troske, Workforce Investment Act Non-Experimental Net Impact Evaluation, Final Report, IMPAQ International, December 2008.

⁷ Kevin Hollenbeck, Daniel Schroeder, Christopher T. King and Wei-Jang Huang, Net Impact Estimates for Services Provided through the Workforce Investment Act, U.S. Department of Labor, Employment and Training Administration, October 2005.

⁸ PY 2013 WIA Annual Report (ETA 9091).

⁹ PY 2013 WIA Annual Report (ETA 9091).

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Funding Mechanism

WIOA programs operate on a program year (PY) basis of July 1 through the following June 30. Funds appropriated in FY 2016 are available from July 1, 2016 through June 30, 2017, or PY 2016. The Department allocates funding to the states based on a statutory formula. The states also distribute money to local workforce areas by a statutory formula.

FY 2016

The Department is requesting \$815,556,000 in FY 2016. This is a \$38,820,000 increase over the FY 2015 (PY 2015) enacted level of \$776,736,000. The FY 2015 Omnibus provided funding to increase the Governor's Reserve from 8.75 percent to 10 percent while also maintaining funding for the local areas. The Department's request maintains the Governor's Reserve at the 10 percent level and further increases the appropriation to provide additional funds to local areas for service delivery. Funding the Governor's Reserve at 10 percent provides for a level of statewide activities that, along with allowing the state to provide services and perform statewide projects, will ensure financial and programmatic oversight of the local workforce system and comprehensive planning with expanded partnerships, which support transition to WIOA. Building upon efforts in FY 2015, the Budget also will help to promote overall efficiency of the public workforce system by allowing for technical assistance to local areas. The proposed increase for local area service delivery helps respond to the current high demand for job placement, career counseling, skills training, and labor exchange services. The request also recognizes that WIOA and alignment with the Job-Driven Training Vision has created new opportunities for local areas to expand service delivery. For example, WIOA streamlines access to career counseling and training while also increasing the range of available training opportunities to include traditional classroom training, transitional jobs, internships, participation in Registered Apprenticeships, and more on-the-job training opportunities. These new opportunities provide low-income, low-skilled adults with different points of entry into career pathways leading to the middle-class but require significantly more staff and financial resources to implement.

Beginning in PY 2016, the Adult program will align its performance measures with the indicators required by WIOA. The WIOA performance indicators are detailed below in the Workload and Performance Narrative. The Department will be issuing guidance to assist states with this transition and ensure continuation of services in a manner that supports the Department's priorities, which include:

- ***Increase Credential Attainment.*** Because credential attainment is strongly associated with improved labor market outcomes for workers, the Department will seek to increase the percent of exiters receiving an industry-recognized credential. The Department also will continue to work with the U.S. Department of Education to jointly encourage states to leverage basic education programs at community colleges to help participants gain the core skills they need to succeed in job driven training programs with entry requirements that some jobless workers cannot meet.
- ***Institutionalize Evidence-Based Decision-Making.*** The Department will continue to use available evidence in the development of strategies and other decision-making,

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both at the service delivery and systems levels of the public workforce system. The Department has been especially focused on ensuring that the local workforce boards have the best available research about what works and about efforts to build further evidence. This includes disseminating the lessons learned through the Workforce Innovation Fund, and providing information about the other evidence-based strategies, such as sector-based training and apprenticeships.

- ***Priority of Service for Individuals who are Low-Income and Basic Skills Deficient.*** The Adult program offers the option to prioritize service to adults who receive public assistance or are classified as “low-income” and who are basic-skills deficient. The latest WIA Adult data available (for July 2013 through June 2014) indicates that 52.1 percent of all exiters who received intensive or training had low-incomes, and 28.2 percent received public assistance.¹

To address the need for greater levels of skills and education, and consistent with the President’s Job-Driven Training initiative, the Department will encourage the development and implementation of sector strategies — a proven approach to help job seekers transition to in-demand and growing occupations. Sector-focused programs, such as in the fields of science, technology, engineering, and mathematics (STEM), aim to connect job seekers and workers to employment opportunities, addressing unmet hiring needs of employers in the labor market and improving participants’ prospects in that market. An evaluation of sector-based programs showed that: 1) participants in sector-focused programs earned significantly more than control group members; 2) participants in sector-focused programs were significantly more likely to work and, in the second year, worked more consistently than control group members; 3) program participants were significantly more likely to work in jobs with higher wages; 4) program participants were significantly more likely to work in jobs that offered benefits; and 5) participants had significant earnings gains as compared to their counterpart controls.² The Department is in the process of developing targets for the new WIOA performance indicators.

FY 2015

The FY 2015 (PY 2015) appropriation was \$766,736,000 to fund the Adult program for the period of July 1, 2015 through June 30, 2016, which is an increase of \$10,656,000 over the FY 2014 (PY 2014), appropriated level. The PY 2015 full year appropriation increased the Governor’s Reserve from 8.75 to 10 percent and the increase in funding was provided to offset this change and preserve funding levels for local areas.

These funds will be used to provide employment and training services to disadvantaged, low-skilled, and/or unemployed/underemployed adult job seekers. These funds are vital to ensuring these disadvantaged populations would have opportunities to enter the middle class, while also ensuring those in the middle class were able to stay in the middle class. At the enacted funding level, the Adult formula grant program is projected to serve 6,753,769 adult job seekers in PY

¹ Social Policy Research Associates, *Quarterly WIASRD Report Quarter Ending June 30, 2014*, prepared for ETA, December 17, 2014.

² Tuning In to Local Labor Markets: Findings from The Sectoral Employment Impact Study; Public/Private Ventures, 2010

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2015, with an Entered Employment Rate of 63.1 percent, an Employment Retention Rate of 82.1 percent, and Six Months Average Earnings of \$14,194.

In order to meet these targets, the Department focuses on improving the employment prospects for millions of Americans, particularly those who were identified as low-skilled, disadvantaged, or unemployed, so they could take advantage of available jobs in high-growth sectors. By focusing on high-demand skills and industries, the Department continues to shift its programmatic approach to serving job seekers using the most effective, and evidence-based tools at our disposal. The Department addresses the challenge of increasing job seeker competitiveness in a knowledge-based economy by:

- ***Increasing Credential Attainment and Promoting Tailored Training Strategies to Meet the Unique Needs of Low-skilled Adults.*** The Department will increase the impact of Adult formula resources by working with the states and local areas to increase the percent of exiters receiving an industry-recognized credential in PY 2015. The Department also continued to work with the U.S. Department of Education to jointly encourage states to leverage Adult Basic Education and postsecondary education programs delivered through community colleges and other community organizations and explored other available training resources beyond those provided by the Department, such as Federal Pell Grants.
- ***Institutionalizing the Practice of Data-driven Decision-making.*** The Department will continue to use available evidence in the development of strategies and other decision-making, both at the service delivery and systems levels of the public workforce system.
- ***Providing Seamless, Dual-customer Service through American Job Centers.*** The public workforce system will coordinate a range of federally funded training programs and services through its One Stops to address the specific and varying needs of its business and job seeker customers.
- ***Providing for Low-income Priority of Service.*** The WIA Adult program will continue to offer the option of providing a priority of service for intensive and training services to adults who are on public assistance or are classified as “low-income,” when funds are limited. WIA Adult data for April 1, 2011 through March 31, 2012, indicates that around half of all intensive or training services in the WIA Adult program have gone to low-income adults.³

FY 2014

The FY 2014 (PY 2014) appropriation for the Adult formula program was \$766,080,000. These funds were critical to providing unemployed job seekers and underemployed workers the services necessary to find new jobs. At this funding level, 6,753,786 individuals are projected to

³ PY 2011 WIASRD Data book 4/1/11-3/31/12. 202,723 Low income adult exiters receiving intensive or training services out of 427,994 total receiving intensive or training services.

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receive services through the WIA Adult formula-funded program. Final results for PY 2014 will not be available until the first quarter after PY 2014 ends in June 2015.

The Department had an Entered Employment Rate target of 62.5 percent, an Employment Retention Rate target of 82.1 percent, and a Six Months Average Earnings target of \$13,945 for the WIA Adult program in 2014.

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DETAILED WORKLOAD AND PERFORMANCE							
		2013		2014		2015	2016
		Target	Result	Target	Result	Target	
Adult Employment and Training Activities							
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-WIAAdult-01	Entered Employment Rate (WIA Adult) ¹³	61.20%	60.00%	62.50%	--	63.10%	TBD
ETA-WIAAdult-02	Employment Retention Rate (WIA Adult) ¹⁴	82.00%	81.40%	82.10%	--	82.1	TBD
ETA-WIAAdult-03	Six Months Average Earnings (WIA Adult) ¹⁵	\$13,684	\$12,898	\$13,945	--	\$14,194	TBD

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

¹³ Beginning in PY 2016, Entered Employment Rate will be calculated based on the 2nd quarter after program exit instead of 1st quarter after program exit.

¹⁴ Beginning in PY 2016, Employment Retention Rate will be calculated based on the 4th quarter after program exit instead of the 3rd quarter after program exit.

¹⁵ Beginning in PY 2016, Six Month Average Earnings will no longer be a measure and will be replaced by Median Earnings of those employed in the 2nd quarter after program exit.

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Workload and Performance Narrative

Beginning in PY 2016, the common measures are revised based on WIOA authorization for six key indicators that are consistent across populations served. These six performance indicators are: 1) placement in employment, education or long-term training in the second quarter after exit; 2) placement in employment, education or long-term training in the fourth quarter after exit; 3) median earnings of those employed in the second quarter after exit; 4) credential attainment; 5) measurable skill gains toward credential attainment/employment; and 6) effectiveness in serving employers. The targets and results for the six new indicators have not been included in the budget because of changes WIOA made to the methodology for calculating the indicators. To accurately determine targets and results, the Department is required to collect new baseline data in PY 2016. Based on those data, targets will need to be established in subsequent years.

The Department will monitor grantee performance regularly through Federal Project Officers in the regional offices to ensure grantees are on target to meet performance goals. Such monitoring informs the design and delivery of technical assistance to improve performance. As part of program monitoring, the Department looks at the following system outputs:

- Number of people served by the program;
- Number of people that received training;
- Number of people that received career services;
- Number of people in training that received a credential;
- Number of people with demonstrated skills gain; and
- Amount of funds spent.

Additional data are collected on the intensity of participant services based on the number served, exiters, and those with positive outcomes for entered employment. These outputs help determine whether states are implementing strategies that will help meet their outcome goals. In addition, the Department will conduct evaluations of WIOA formula programs using the six WIOA common indicators that will evaluate the effectiveness of services for various subpopulations and seek to improve program performance. The results of such evaluation and research are used to revise and update program strategies regularly. In 2016, the WIA Adult and Dislocated Worker Programs Gold Standard Evaluation (WGSE) will continue. The WGSE is a rigorous random assignment evaluation of the formula programs established under Title I of WIA. The evaluation is examining the Adult and DW programs' impacts on participants' post-program employment and earnings and their cost effectiveness. The evaluation is comparing the outcomes of WIA participants who receive intensive services and training to the outcomes of similar individuals who receive only core WIA services. The evaluation will provide critical insight on the impact and cost effectiveness of various career and training services for participants in the WIOA program.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		2014	2015	2016	Diff. 2016 / 2015
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	766,080	776,736	815,556	38,820
	Total	766,080	776,736	815,556	38,820

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CHANGES IN FY 2016

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Advisory and assistance services	0
Grants, subsidies, and contributions	0

Built-Ins Subtotal **\$0**

Net Program **\$38,820**

Direct FTE **0**

	Estimate	FTE
Base	\$776,736	0
Program Increase	\$38,820	0
Program Decrease	\$0	0

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	2014	2015	2016	Diff. 2016 / 2015
Activity Appropriation	820,430	831,842	873,416	41,574
FTE	0	0	0	0

Introduction

The Workforce Innovation Opportunity Act (WIOA) Youth program aligns with the Department of Labor’s goals by helping to cultivate an economy built on skills for American workers, specifically low-income as well as out-of-school youth with barriers to employment, by providing them with services that prepare them for employment and post-secondary education.

America’s youth and young adults are facing three challenges today that, if unaddressed, will have long-term consequences on the competitiveness of our nation: youth unemployment; unacceptably high school dropout rates; and a shift to a knowledge and service-based economy – requiring greater levels of skills and education. According to BLS, in July 2014, unemployment for 16-24 year old youth was 14.3 percent (not seasonally adjusted); more than double the national unemployment rate of 6.2 percent. BLS also reported that in July 2014, the traditional summertime peak for youth employment, the proportion of the 16 to 24 year old population employed was only 51.9 percent. Although dropping slowly, the youth unemployment rate is still high, with 3.4 million youth unemployed.

Graduation rates are increasing and according to the National Center for Education Statistics, across the cohort of first-time ninth graders in 2008-09, an estimated 80 percent graduated by the end of the 2011-12 school year. However, high school graduation rates were substantially lower for most minority groups that year, (73 percent for Hispanic students, 69 percent for Black students, and 67 percent for American Indian/Alaska Native students) and particularly for males. The Center for Labor Market Studies at Northeastern University suggests that young people who do not complete high school experience a wide array of labor market, earnings, social and income problems that hinder their ability to transition to careers from their mid-20s onward.¹⁶

Increasingly, workers need *post-secondary* education and training to succeed in today’s workplace, making it even more important that young people finish high school and move forward into high quality postsecondary education or training programs. BLS reports that occupations which typically require post-secondary education for entry are expected, on average, to grow faster than occupations that require a high school diploma or less during the 2012-22 decade. Nineteen of the thirty occupations projected to have the fastest employment growth typically require some type of post-secondary education for entry into the occupation. In addition, projected employment growth is concentrated in the health care and social assistance

¹⁶ Sum. A. et al. 2009. “The Consequences of Dropping Out of High School: Joblessness and Jailing for High School Dropouts and the High Cost for Taxpayers.” Center for Labor Market Studies, Northeastern University.

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sector, requiring young people to have strong work readiness skills (such as communication, team-work, customer service), problem-solving skills, and occupational skills in that industry.

Due to these economic realities, the Administration is requesting a five percent increase in funding for the Youth program. This increase will primarily provide additional funds to local areas for service delivery, which will allow for the provision of badly-needed job placement, career counseling, skills training, and credential attainment services.

Considering the global competition for skilled labor, employment and training programs for youth is critical to the current and future competitiveness of our nation. The WIOA Youth program is well-positioned to prepare young people for success in the knowledge-based economy. Under Title I of the WIOA, Youth Activities funds are allotted by formula to states that, in turn, allocate funds to local areas to deliver a comprehensive array of youth workforce investment activities. These activities help assure that youth obtain skills and knowledge to succeed in a knowledge-based economy, including growing and emerging industry sectors, such as health care and social assistance. WIOA authorizes services to low-income youth ages 14 through 21 for in-school youth and 16 to 24 for out-of school youth with barriers to employment, including youth who are deficient in basic skills, homeless, runaways, pregnant or parenting, ex-offenders, school dropouts, foster children, English language learners, youth with disabilities, and other youth who may require additional assistance to complete an educational program or to secure and hold employment. While, the program serves both in- and out-of-school youth, WIOA requires that 75 percent of funds be used to serve out-of-school youth, which will focus resources on youth facing the greatest challenges in gaining skills and good employment. Service providers prepare youth for employment and post-secondary education by stressing linkages between academic and occupational learning and creating effective connections to employers. They also assist youth by providing tutoring, alternative secondary school services, summer and year-round work experiences, including pre-apprenticeship programs and on the job training opportunities, occupational training, education offered concurrently with workforce preparation, supportive services, leadership development opportunities, mentoring, counseling, financial literacy, entrepreneurial skills training, labor market information, post-secondary education preparation, and follow-up services.

The services offered through the WIOA Youth program help ensure that low-income youth have job opportunities that will lead to higher wages. The WIOA Youth program is well positioned to convene youth serving organizations and encourage state and local partners to develop comprehensive youth employment strategies. The services also help youth acquire the skills and knowledge necessary to succeed in the knowledge-based economy.

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Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2011	\$825,914	0
2012	\$824,353	0
2013	\$781,375	0
2014	\$820,430	0
2015	\$831,842	0

Funding Mechanism

WIOA Youth programs operate on a program year of April 1 through the following June 30. Funds appropriated in FY 2016 are available from April 1, 2016 through June 30, 2017, or PY 2016. Under Title I of WIOA, formula funds are provided to states and local areas for the operation of WIOA Youth programs, in accordance with 29 USC 2851 Chapter 4. Funds for youth services are allotted to states that, in turn, allocate funds to local areas based on a formula distribution as defined in Sec.127(b)(1)(C)(ii) of WIOA.

FY 2016

To address the skill and youth employment needs anticipated in FY 2016, the Department is requesting \$873,416,000 for the period of April 1, 2016 through June 30, 2017 (PY 2016). This is a \$41,574,000 increase compared to the FY 2015 enacted level. PY 2016 funds will be directed by formula to states to provide WIOA youth services. The proposed increase is primarily for local area service delivery and helps respond to the high youth need for job placement, career counseling, and skills training services. Based on the most recent cost per participant data under the previous law, the Workforce Investment Act of 1998 (WIA), these funds will serve an estimated 233,908 low-income youth who face barriers to employment. However, the Department expects the cost per participant under WIOA to increase compared to WIA, as WIOA requires that 75 percent of funds be dedicated to out-of-school youth, a group that requires more intensive services. WIA data indicate out-of-school youth may cost approximately \$1,000 more to serve than in-school youth, lowering the number that can be served with the appropriation. This request level maintains the Governor's Reserve at 10 percent. Funding the Governor's Reserve at 10 percent provides for a level of statewide activities that will, along with allowing the state to provide services and perform statewide projects, ensure financial and programmatic oversight of the local workforce system and comprehensive planning with expanded partnerships, which support transition to WIOA. Building upon efforts in FY 2015, it also will help to promote overall efficiency of the public workforce system by allowing for technical assistance to local areas and updates to performance. This reserve is used for oversight, accountability activities, and to help improve performance in targeted local areas. The increased funding will be used to help serve additional youth.

The Department is in the process of developing targets for the new WIOA performance indicators. In PY 2016, the Department will promote and/or implement a number of strategies

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within five focus areas: continuing to assist states and local areas in the implementation of the new aspects of WIOA; increasing credential attainment through promoting sector strategies; creating sector-focused career pathways for WIOA youth, particularly disconnected youth; implementing promising strategies identified through Workforce Innovation Fund (WIF) grantees; and, developing and expanding collaborative partnerships to leverage resources for youth participants, including implementing early lessons learned from Performance Partnership Pilots, which will pilot sites to test innovative, outcome-focused strategies to achieve significant improvements in educational, employment, and other key outcomes for disconnected youth.

PY 2016 marks the second year of WIOA implementation and the Department will continue to assist states and local areas in implementing the new aspects of WIOA. Technical assistance will focus on recruiting and serving out-of-school youth (OSY) in order to assist local areas in meeting the 75 percent OSY expenditure requirement through the most effective service provision possible; implementing strategies to increase work experience opportunities in order to assist local areas in meeting the 20 percent work experience expenditure requirement; and implementing the five new WIOA program elements, which include education offered concurrently with workforce preparation, financial literacy, entrepreneurial skills training, labor market information provision, and post-secondary education preparation.

The Department will also include a focus on connecting WIOA youth to career pathways, particularly for disconnected youth. ETA, in collaboration with the Departments of Education and Health and Human Services, will promote the use of career pathways approaches as a promising strategy to help youth acquire marketable skills and industry-recognized credentials through better alignment of education, training and employment, and human and social services among public agencies and with employers. Career pathways is a contextual learning approach that combines occupational skills training with basic skills training, which allows participants to attain work readiness skills in a shorter amount of time than traditional education and occupational training programs. Career pathways include the full range of secondary, adult education, and postsecondary education options, such as registered apprenticeship, and provide for a non-duplicative progression of courses clearly articulated from one level of instruction to the next, with opportunities to earn postsecondary credits that lead to industry-recognized and/or postsecondary credentials.

To address the need for greater levels of skills and education and consistent with the WIOA Adult and Dislocated Worker programs, the Department will encourage the development and implementation of sector strategies – a workforce development approach that has shown success in helping job seekers access employment and training opportunities in in-demand and growing occupations, such as STEM fields. Sector-focused programs aim to connect job seekers and workers to employment opportunities, addressing unmet hiring needs of local employers and improving participants' prospects in the labor market.¹ The Department will continue to emphasize sector-based strategies through its guidance and technical assistance as a promising approach to helping youth gain valuable, industry-recognized skills and credentials and connecting youth to good paying jobs and career pathway opportunities.

¹Tuning In to Local Labor Markets: Findings from The Sectoral Employment Impact Study; Public/Private Ventures, 2010

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In FY 2012, ETA awarded 26 grants under the Workforce Innovation Fund (WIF). WIF grants are implementing and evaluating strategies that deliver services more efficiently, achieve better outcomes, and facilitate cooperation across programs and funding streams. The grants emphasize building knowledge about effective practices through rigorous evaluation and translating “lessons learned” into improved labor market outcomes, the ability to bring such practices to scale in other geographic locations and increased cost efficiency in the broader workforce system. In PY 2016, ETA will assist states and local areas to implement preliminary promising practices and lessons learned specific to disconnected youth identified during PY 2011 through PY 2013.

In addition, the Department will continue to be an active participant in Federal interagency groups, such as the Interagency Working Group on Youth Programs and the Interagency Forum on Disconnected Youth, to promote comprehensive youth employment strategies. The 2014 and 2015 enacted budgets provide authority to establish up to 10 Performance Partnership Pilots to improve outcomes for disconnected youth using existing discretionary Federal resources. The authority will enable states and local entities to seek Federal approval to blend funds from multiple funding sources and obtain waivers for such areas as program design, performance, and other requirements, in exchange for greater accountability for results. The 2016 Request continues to propose Performance Partnership Pilot authority. If authority is provided for Performance Partnership Pilots, the Department will both support pilot efforts as well as implement early lessons learned from PY 2014 pilots.

FY 2015

To address the skill and youth employment needs anticipated for the period of April 1, 2015 through June 30, 2016 (PY 2015), the Department received \$831,842,000 for WIA Youth programs. These funds will serve an estimated 222,775 low-income youth who face barriers to employment. The funding increased the statewide reserve to 10 percent without any loss of funding to the local areas. This reserve funding will be used to increase oversight and accountability activities and help improve performance in targeted local areas.

The Department has set a target for placement in employment/education/training of 66.9 percent, a degree/certificate attainment target of 62.2 percent, and a literacy/numeracy gains target of 46.0 percent. To meet these targets, the Department will promote and/or implement a number of strategies within five focus areas: assisting states and local areas in the implementation of the new aspects of WIOA; increasing credential attainment through promoting sector strategies; creating career pathways for WIA youth, particularly disconnected youth; implementing promising strategies identified through WIF grantees; and developing and expanding collaborative partnerships to leverage resources for youth participants.

PY 2015 marks the first year of WIOA implementation and the Department will assist states and local areas in implementing the new aspects of the law. Technical assistance will focus on recruiting and serving out-of-school youth (OSY) in order to assist local areas in meeting the 75 percent OSY expenditure requirement through the most effective service provision possible; implementing strategies to increase work experience opportunities in order to assist local areas in meeting the 20 percent work experience expenditure requirement; assisting states and local areas

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in creating partnerships to fulfill the WIOA vision of more integrated WIOA youth-serving programs; and implementing the five new WIOA program elements, which include education offered concurrently with workforce preparation, financial literacy, entrepreneurial skills training, labor market information provision, and post-secondary education preparation.

To address the need for greater levels of skills and education and consistent with the WIA Adult and Dislocated Worker programs, the Department will encourage the development and implementation of sector strategies – a workforce development approach that has shown success in helping job seekers access employment and training opportunities in in-demand and growing occupations, such as STEM fields. Sector-focused programs aim to connect job seekers and workers to employment opportunities, addressing unmet hiring needs of local employers and improving participants’ prospects in the labor market.² The Department will continue to emphasize sector-based strategies through its guidance and technical assistance as a promising approach to helping youth gain valuable, industry-recognized skills and credentials and connecting youth to good paying jobs and career pathway opportunities.

FY 2014

In FY 2014 (PY 2014), funding for the WIA Youth program is \$820,430,000. These funds serve an estimated 216,988 low-income youth who face barriers to employment.

The Department has set a target for placement in employment/education/training of 66.8 percent, a degree/certificate attainment target of 62.2 percent, and a literacy/numeracy gains target of 46.2 percent. In order to meet these targets, the Department implemented a number of strategies. The Department published Training and Employment Guidance Letter No. 5-14 providing guidance for states and local workforce areas. This guidance was based on common findings in ETA monitoring reviews conducted during 2013. Findings from 2013 related to eligibility determination, procurement/youth contracts, case management, service provision, performance management, governance, and administration. The guidance provided additional insight into several critical areas, including governance and youth councils, eligibility, case management, individual service strategies, exit and follow-up, and provided state and local area staff with tools to improve youth services and to ensure legal compliance and successful future monitoring.

In addition, the Department published a number of Training and Employment Notices (TEN) to assist the WIA youth program in carrying out its mission. The TENs published in PY 2014 included two TENs focused on specific WIA youth services: mentoring and providing career information. TEN No. 28-13 released a guidebook to help youth programs implement mentoring programs by providing guidance, resources, and promising practices for local workforce programs and agencies to develop and implement a mentoring program or add a set of mentoring activities to an existing program. TEN No. 33-13 transmitted a joint letter on informing career decisions from DOL and the Departments of Education and Health and Human Services. The letter shared the interagency support for ensuring students and parents have relevant and timely information to make informed career decisions and encouraged continued coordination and

²Tuning In to Local Labor Markets: Findings from The Sectoral Employment Impact Study; Public/Private Ventures, 2010

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collaboration across the public workforce, adult basic education, career and technical education, and human and social service systems to prepare students for education and career paths.

The TENs published in PY 2014 also focused on serving two specific WIA youth populations: youth in foster care and youth offenders. The Department published TEN No. 32-13 to inform states and local areas about how WIA youth programs can assist youth who are currently or were formerly in foster care to complete post-secondary education and training by coordinating with state and local Independent Living coordinators to ensure youth have knowledge and access to the John H. Chafee Foster Care Independence Program Education and Training Vouchers and State Tuition Waivers. The Department also published TEN 1-14 that provided strategies for using WIA Youth funds to serve court-involved youth and youth at-risk of offending.

The Department also jointly issued a Request for Information (RFI), along with the Departments of Education and Health and Human Services to seek to further support the development of high-quality career pathways systems by jointly soliciting information and recommendations from a broad array of stakeholders in the public and private sectors, as well as in State, regional, tribal, and local areas. The Departments will analyze the career pathways information collected from the RFI to: (1) inform and coordinate policy development, strategic investments, and technical assistance activities; and (2) improve coordination of Federal policy development with investments at the State, tribal and local levels.

The Department supported the solicitation of the first round of Performance Partnership Pilots (P3) program that will enable up to ten pilot sites to test innovative, outcome-focused strategies to achieve significant improvements in educational, employment, and other key outcomes for disconnected youth using new flexibility to blend-existing Federal funds and to seek waivers of associated program requirements. P3 pilots will receive start-up grants to support ongoing planning, streamlined governance, strengthened data infrastructure, improved coordination, and related activities to help pilots improve outcomes for disconnected youth.

Finally, the Department provided specific technical assistance to help workforce leaders invigorate and strengthen their Youth Councils in an effort to better position them as local partners and conveners for improving youth services and employment outcomes for disconnected youth. The technical assistance included: 1) developing a current database of Youth Councils for the Service Locator, 2) identifying high-performing Youth Councils and promoting them as models of effective service delivery, and 3) providing resources and technical assistance to build the capacity of Youth Councils with a focus on specific challenges identified in monitoring reports. In addition, the Department provided specific technical assistance, including webinars on topics such as social media, financial literacy, case management, mentoring, and homelessness, and produced a series of “flash training” on various WIA youth topics that consisted of short podcasts accompanied by slides.

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DETAILED WORKLOAD AND PERFORMANCE							
		2013		2014		2015	2016
		Target	Result	Target	Result	Target	Target
Youth Activities							
Strategic Goal 1 - Prepare workers for better jobs							
Strategic Objective 1.2 - Provide marketable skills and knowledge to increase workers' incomes and help them overcome barriers to the middle class through partnerships among business, education, labor, community organizations, and the workforce system							
ETA-WIAYouth-01	Percent of participants entering employment or enrolling in post-secondary education, the military or advanced training/occupational skills training in the first quarter after exit (WIA Youth) ¹	66.40%	65.4%	66.80%	--	66.90%	TBD
ETA-WIAYouth-02	Percent of participants who earn a diploma, GED, or certificate by the end of the third quarter after exit (WIA Youth) ²	62.30%	66.6%	62.20%	--	62.20%	TBD
ETA-WIAYouth-03	Percent of participants who achieve literacy or numeracy gains of one adult basic education level (WIA Youth)	46.90%	52.4%	46.20%	--	46.00%	--
Formula Grant Participants		228,205	209,267	216,988	--	222,775	233,908
Formula Grant Cost Per Participants		\$3,424.00	\$3734.00	\$3781.00	--	\$3,734.00	\$3,734.00

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

¹ Beginning in PY 2016, the measure will be calculated based on youth placement in employment or education in the 2nd quarter after program exit. The target for PY 2016 has not yet been established.

² Beginning in PY 2016, the measure will be calculated based on credentials earned one year from exit and only includes those who are also in a placement one year from exit. The target for PY 2016 has not yet been established.

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Workload and Performance Narrative

The detailed workload and performance table provides estimates for the number of youth participants served through WIOA Youth Activities. In PY 2016, the Department estimates \$3,734 as the average cost per participant for WIOA Youth Activities. This is based on actual cost per participant data from the most recent full program year (PY 2013), which saw a slight decrease in the cost per participant from the previous year. However, the Department expects the cost per participant under WIOA to increase compared to WIA given the 75 percent out-of-school youth expenditure requirement, as out-of-school youth may cost more to serve than in-school youth. If the cost per participant increases as expected once WIOA is implemented, this may result in fewer participants being served than currently estimated.

Beginning in PY 2016, the common measures are revised based on WIOA authorization for six key performance indicators that are consistent across populations served. These six measures are: 1) placement in employment, education or long-term training in the second quarter after exit; 2) placement in employment, education or long-term training in the fourth quarter after exit; 3) median earnings of those employed in the second quarter after exit; 4) credential attainment; 5) measurable skill gains toward credential attainment/employment; and 6) effectiveness in serving employers. The targets and results for the six new performance indicators have not been included in the budget because of slight changes WIOA made to the methodology for calculating the performance indicators. To accurately determine targets and results, the Department is required to collect new baseline data in PY 2016. Based on those data, targets will need to be established in subsequent years.

The training and employment services delivered through the WIOA Youth program are designed to address all WIOA outcomes. States and local areas target their service delivery strategies to the specific needs of their employer and youth populations, and the Department provides policy and programmatic guidance to help states and local areas identify strategies that are beneficial in improving successful outcomes in the current economy.

Research has shown that sectoral strategies that connect disconnected youth to in-demand and growing occupations result in improved placement outcomes.²¹ Because a career pathway model focuses on educational and occupational skills training, it should lead to improved outcomes for the placement measure, as well as degree/certificate attainment and literacy/numeracy gains. The strategy of implementing lessons learned from Workforce Innovation Fund grants and the Opportunity Youth Demonstration initiative will be based on evidence-based strategies that are proven to lead to successful outcomes for disconnected youth. Finally, the strategy of partnering across agencies will result in better aligned and leveraged resources devoted to serving low-income, disconnected youth and provide more opportunities for such youth to receive work experiences, including summer employment. Research from the Center for Labor Market Studies suggests paid work experience may improve educational and employment outcomes for at-risk youth²²; therefore, the Department believes that increasing the opportunities for work experience

²¹ Tuning In to Local Labor Markets: Findings from The Sectoral Employment Impact Study; Public/Private Ventures, 2010.

²² Sum. A. et al. 2008. "The Historically Low Summer and Year Round 2008 Teen Employment Rate: The Case for An Immediate National Public Policy Response to Create Jobs for the Nation's Youth." Center for Labor Market Studies, Northeastern University.

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for these youth is a promising strategy that may result in higher employment and increased high school graduation rates.

The Department monitors grantee performance regularly through Federal Project Officers in regional offices to ensure that they are on target to meet performance goals. Such monitoring informs the design and delivery of technical assistance to improve performance.

The Department also conducts evaluations of the WIA formula programs to assess the specific strategies promoted to support goal achievement. The results of such evaluation and research are used to update and develop new strategies. The Department has evaluated several components of the American Recovery and Reinvestment Act (Recovery Act)-funded programs related to youth services. The Department has funded an implementation evaluation of the Recovery Act Summer Youth Employment Initiative and has issued a report from that study, *Reinvesting in America's Youth: Lessons from the 2009 Recovery Act Summer Youth Employment Initiative*. The Department is sponsoring three additional evaluation studies of summer youth employment initiatives under the Recovery Act: 1) an evaluation of post-summer 2009/2010 youth services; 2) an evaluation of Indian and Native American youth services; and 3) an evaluation of youth services funded with Temporary Assistance for Needy Families (TANF) Emergency Contingency funds. Reports for all three evaluations were published in January 2012 and will inform future program design and technical assistance efforts. These evaluations found that work experience is in large demand by youth; benefits youth, employers, and the community as a whole; and can be particularly successful in both the private sector and in high-growth industries, which are all factors that reinforce the increased emphasis on work experience under WIOA.

In addition, the Department is currently implementing the Opportunity Youth Demonstration Initiative, a cross-agency effort using a strategic approach to systematically develop full-scale demonstrations to test promising, evidence-based approaches to improving the education and employment outcomes and well-being of low-income youth, aged 16-24, who are not in school and not working.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		2014	2015	2016	Diff. 2016 / 2015
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	820,430	831,842	873,416	41,574
	Total	820,430	831,842	873,416	41,574

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CHANGES IN FY 2016

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments \$0

Advisory and assistance services 0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program \$41,574

Direct FTE 0

	Estimate	FTE
Base	\$831,842	0
Program Increase	\$41,574	0
Program Decrease	\$0	0

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	2014	2015	2016	Diff. 2016 / 2015
Activity Appropriation	1,222,457	1,236,389	1,261,719	25,330
FTE	0	0	0	0

Introduction

The Workforce Innovation and Opportunity Act (WIOA) was signed into law on July 22, 2014 and is the first reform of the public workforce system in more than 15 years. The WIOA Dislocated Worker (DW) program serves as the primary vehicle to 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 DW program will be undergoing dramatic transformation throughout Program Years (PY) 2015 and 2016 as WIOA provisions are implemented and the program is further aligned with the Job-Driven Training Vision.

The DW program is well-positioned to meet the needs of employers and enhance U.S. competitiveness by connecting industries' needs for a skilled workforce to the public workforce system's trained workers. Specifically, the DW program:

- Supports the creation of an economy that provides opportunity for all by helping align the skills of American workers with the skill needs of business;
- Offers a variety of training options ranging from traditional classroom settings to work-based opportunities for dislocated workers needing new or upgraded skills;
- Turns the unemployment system into a reemployment system by providing services that help dislocated workers obtain employment, such as career counseling, training, credential attainment, and job placement; and
- Puts veterans back to work by providing priority of service to veterans and eligible spouses and targeting resources to areas with high unemployment among transitioning service members.

Although the economy is strengthening, there are still some pockets of high unemployment, including among the long-term unemployed. To support an American economy that provides opportunity for all, workers' skills must align with the needs of businesses and these skills must be readily adapted as business needs evolve. Recent data from the Bureau of Labor Statistics indicates that between now and 2020, occupations that typically need some type of post-secondary education for entry are projected to grow fastest and occupations classified as needing an associate's degree are projected to grow by 18 percent.²³

As the need for skilled workers grows, state and local Workforce Development Boards (WDBs) are strategically positioned to support a job-driven approach to workforce development by

²³ <http://www.bls.gov/news.release/pdf/ecopro.pdf>, Thursday, December 19, 2013, USDL-13-2393.

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sharing information on the requirements of local industries and small businesses and the skills available in the local labor market. Additionally, there is strong evidence to demonstrate the effectiveness of employment and training services for helping dislocated and unemployed workers gain new skills and find new jobs. The DW program in PY 2013 had an Entered Employment Rate (EER) of 81.4 percent for participants that received training, an EER of 64.7 percent for participants who received core and intensive services only, and a 54.8 percent EER for individuals that received only core services.²⁴ The overall EER for the DW formula activities was 60 percent.

The DW program provides an array of employment, supportive, and training services to meet the needs of eligible job seekers who have been displaced from their jobs, and who are unlikely to return to employment in their previous industries, including recently separated veterans; formerly self-employed individuals; and displaced homemakers who have been dependent on the income of another family member, but are no longer supported by that income. Basic career services include job search and placement assistance and real-time labor market information, while case management services range from comprehensive skills assessments to career counseling and planning. For dislocated workers needing new or upgraded skills, training services are available, including but not limited to: occupational skills training, on-the-job training (OJT), incumbent worker training, workplace training and related instructional programs, skill upgrading, adult education and literacy training, and customized training. In addition, dislocated workers may receive supportive services, such as transportation, child care, and needs-related payments to assist them in completing training.

The Department believes the goal of the DW program should be to provide workers the skills needed to establish a career in a high-demand field. Under WIOA, credential attainment and interim skills gains are required performance indicators of performance. The Department has placed a priority on industry-recognized credential attainment in training because it has been shown to provide individuals with the skills and recognition necessary to build a career that will lead to increased wages. One net impact study of the Workforce Investment Act's (WIA) services in 2005 indicated that participation in training resulted in a net increase in earnings of more than \$380 per quarter for employed WIA DW participants. This same study found that individuals receiving any WIA services increased employment by 10 percentage points.²⁵

Additionally, a portion of DW program funds are maintained in a National Reserve which supports a range of national activities, including:

- National Dislocated Worker Grants (NDWG), formerly National Emergency Grants, temporarily increase the capacity of state, local, and tribal governments to provide DW services in response to plant closings and mass layoffs. The reemployment services provided through regular NDWGs include career and training services similar to those that are made available to dislocated workers under the DW formula program, as well as

²⁴ WIA Annual Report PY 2013

²⁵ Hollenbeck, K., et al. *Net Impact Estimates for Services Provided through the Workforce Investment Act, 2005*. http://wdr.doleta.gov/research/keyword.cfm?fuseaction=dsp_puListingDetails&pub_id=2367&mp=y&start=81&sort=7

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the supportive services needed to enable eligible individuals to participate in training and reemployment services. These services help to prepare workers for good jobs in high-demand occupations and further the Department’s efforts to turn the unemployment system into a reemployment system.

- NDWGs create disaster relief employment for eligible individuals to assist with the clean-up and recovery efforts in areas declared eligible for public assistance, as defined by the Stafford Disaster Relief and Emergency Assistance Act, administered by the Federal Emergency Management Agency.
- DW demonstration funds and technical assistance/training funds that are available through the National Reserve promote strategies to help individuals earn credentials that strengthen reemployment outcomes, increase quality career guidance and training services, target hard-to-serve and disadvantaged dislocated worker populations, and promote workforce system innovation in both the DW formula program and the Dislocated Worker Grants.
- Formula funds for the United States’ outlying areas to operate their training and employment programs.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2011	\$1,285,541	0
2012	\$1,232,217	0
2013	\$1,167,976	0
2014	\$1,222,457	0
2015	\$1,236,389	0

Funding Mechanism

WIOA programs operate on a program year of July 1 through the following June 30. Funds appropriated in FY 2016 are available from July 1, 2016 through June 30, 2017, or PY 2016. The Department allocates funding to the states based on a statutory formula. The states also distribute money to local workforce areas by a statutory formula.

A portion of DW program funds are set-aside to the National Reserve which funds NDWGs, demonstrations, technical assistance and training activities, and DW programs in the United States’ outlying areas. Beginning in FY 2015 the availability of the DW National Reserve funds was extended by an additional three months, until September 30. Funding allotments for the outlying areas are distributed using an administrative formula.

FY 2016

To provide dislocated workers with employment and training opportunities as well as maintain program infrastructure and integrity the Department is requesting \$1,261,719,000 in FY 2016 for the period of July 1, 2016 through June 30, 2017 (PY 2016). This is an increase of \$25,330,000 from the FY 2015 (PY 2015) appropriation. This request maintains the Governor’s Reserve at

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the 10 percent level, which was included in the PY 2015 appropriation, and provides additional funding for grants for dislocated workers impacted by coal layoffs, and a small increase in funding for local formula activities. The PY 2015 appropriation increased the Governor's Reserve to 10 percent but provided slightly less funding than was needed to hold local areas' funding stable. The requested increase of \$5,330,000 in the formula funds provides that difference. It should be noted that the request for additional funding for combined reemployment assessments and services as part of the Unemployment Insurance (UI) request will provide an additional source for assistance to those dislocated workers most likely to exhaust their UI benefits. Funding the Governor's Reserve at 10 percent provides for a level of statewide activities that will, along with allowing the state to provide services and perform statewide projects, ensure financial and programmatic oversight of the local workforce system and comprehensive planning with expanded partnerships, which support transition to WIOA. Building upon efforts in FY 2015, it also will help to promote overall efficiency of the public workforce system by allowing for technical assistance to local areas and updates to performance. Of the requested amount, \$1,020,860,000 will be directed by formula to states to provide reemployment assistance and training to an estimated 694,372 dislocated workers. The Department is in the process of developing targets for the new WIOA performance indicators.

Continuing the efforts noted in PY 2015, the Department will provide states with guidance and technical assistance to ensure funds are used to provide high-quality, data-driven job search assistance, career counseling, and training services to equip dislocated workers with in-demand skills that facilitate their reemployment and contribute to an American economy that creates opportunity for all. The Department will also address the challenge of turning the unemployment system into a reemployment system that provides increased employment opportunity for participants by continuing to emphasize these key strategies:

- ***Increasing Skills and Facilitating Rapid Reattachment to the Labor Force.*** The Department will maximize the investment of DW resources by promoting training that leads to industry-recognized credential attainment, transitioning unemployed individuals to reemployment in jobs that offer career pathways, as well as gathering and providing labor market information that quickly connects workers to employers. OJT and other training options, such as on-line training, will provide flexibility to meet the needs of adult learners and workers in transition. OJT gives participants a chance to "earn and learn," developing occupational skills while earning a paycheck. Employers participating in OJT projects will receive partial reimbursement to offset the costs of training workers.
- ***Institutionalizing the Practice of Data-Driven Decision-Making.*** The Department will continue to emphasize the use of available evidence in the development of strategies and other decision-making, both at the service delivery and systems levels of the public workforce system. Building on the identification and documentation of evidence-based practice within the field of workforce development spurred by the Workforce Innovation Fund and other investments, the DW program will help states and local areas use such data to form the basis for continuous improvement to best meet the needs of both its job seeker and business customers.

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- ***Providing Seamless Dual-Customer Service through American Job Centers.*** The public workforce system coordinates a range of federally funded training programs and services through the American Job Center network that address the specific and varying needs of business and job seeker customers. These complementary programs make the public workforce system uniquely positioned to best address and adapt to the emerging needs of workers and businesses, and will allow the system to continue to offer the best value per participant in terms of positive outcomes for job seekers, employers, and State Workforce Agencies (SWA). The locally-administered DW program will continue to play a critical role in enhancing U.S. competitiveness and creating an economy that is built to last by connecting industries' needs for a skilled workforce to the public workforce system's trained workers.
- ***Encourage the development and implementation of sector strategies.*** Sector strategies are a workforce development approach that has shown success in helping job seekers access employment and training opportunities in in-demand and growing occupations, such as STEM fields. Sector-focused programs aim to connect dislocated workers to employment opportunities to address the unmet hiring needs of local employers.

The request for the Dislocated Worker National Reserve is \$240,859,000, which is an increase of \$20,000,000 above the PY 2015 appropriation. The primary use of these funds will be NDWGs that serve dislocated workers impacted by large layoffs and natural disasters. These critical resources supplement state WIOA formula programs when areas are unable to absorb the unexpected impacts of mass dislocations. Unemployed workers will benefit from NDWG projects designed to provide the reemployment services needed to enable them to quickly return to the workforce, and employers will benefit from workers that are equipped with skills that are in-demand. Training resources will target job-driven training strategies, including training in high-demand occupations and work-based training.

The requested \$20,000,000 set-aside in the National Reserve will allow the Department to ensure reemployment and training assistance are provided to workers dislocated from coal mines and coal-fired power plants, as part of the President's POWER+ Plan. These layoffs continue to have a major impact on coal communities, and the Department is committed to supporting a regional approach that aligns with other Federal initiatives to address ongoing coal industry layoffs and provide the needed assistance to the workers and communities impacted by energy transition.

The NDWGs also will be used to provide technical assistance and training to the workforce system and pilot demonstration projects that identify service strategies for assisting dislocated workers. Additionally, this request includes appropriations language that would expand the allowable use of the NDWGs technical assistance and training resources to include activities that support improved service delivery to participants in the WIOA Adult program and new entrants to the labor force in the WIOA Youth program. This language provides flexibility to pursue

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greater efficiency by allowing a more uniform approach to responding service delivery challenges, which are frequently shared across WIOA programs.

FY 2015

The FY 2015 appropriation for the period of July 1, 2015 through June 30, 2016 was \$1,236,389,000 to provide dislocated workers with employment and training opportunities as well as the ability to maintain program infrastructure and integrity. Of the requested amount, \$1,015,530,000 will be directed by formula to states to provide reemployment assistance and training to an estimated 840,972 dislocated workers. Performance targets for these grants include an Entered Employment Rate of 62.8 percent, an Employment Retention Rate of 84.6 percent, and Six Month Average Earnings of \$16,998. The National Dislocated Worker Grants program projects an Entered Employment Rate of 76.5 percent, an Employment Retention Rate of 88.6 percent, and Six Month Average Earnings of \$19,321.

To meet these targets, the Department will provide states with guidance and technical assistance to ensure funds are used to provide high-quality, data-driven job search assistance, career counseling, and training services to equip dislocated workers with in-demand skills that facilitate their reemployment and contribute to an American economy built to last. The Department will address the challenge of turning the unemployment system into a reemployment system that provides increased employment opportunity for participants by continuing to emphasize these key strategies:

- ***Increasing Skills and Facilitating Rapid Reattachment to the Labor Force.*** The Department will maximize the investment of DW resources by promoting training that leads to industry-recognized credential attainment, transitioning unemployed individuals to reemployment in jobs that offer career pathways, and gathering and providing labor market information that quickly connects workers to employers. OJT and other training options, such as on-line training, will provide flexibility to meet the needs of adult learners and workers in transition. OJT gives participants a chance to "earn and learn," developing occupational skills while earning a paycheck. Employers participating in OJT projects will receive partial reimbursement to offset the extraordinary costs of training workers.
- ***Institutionalizing the Practice of Data-Driven Decision Making.*** The Department will continue to emphasize the use of available evidence in the development of strategies and other decision making, both at the service delivery and systems levels of the public workforce system. Building on the identification and documentation of evidence-based practice within the field of workforce development spurred by the Workforce Innovation Fund and other investments, the DW program will help states and local areas use such data to form the basis for continuous improvement to best meet the needs of both its job seeker and business customers.
- ***Providing Seamless Dual-Customer Service through American Job Centers.*** The public workforce system coordinates a range of federally-funded training programs

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and services through the American Job Center network that address the specific and varying needs of business and job seeker customers. These complementary programs make the public workforce system uniquely positioned to best address and adapt to the emerging needs of workers and businesses, and will allow the system to continue to offer the best value per participant in terms of positive outcomes for job seekers, employers, and State Workforce Agencies (SWAs). The locally-administered DW program will continue to play a critical role in enhancing U.S. competitiveness and creating an economy that is built to last by connecting industries' needs for a skilled workforce to the public workforce system's trained workers.

- ***Encourage the development and implementation of sector strategies.*** A workforce development approach that has shown success in helping job seekers access employment and training opportunities in in-demand and growing occupations, such as STEM fields. Sector-focused programs aim to connect dislocated workers to employment opportunities to address the unmet hiring needs of local employers.

In PY 2015, the 8.75 percent set-aside for statewide activities was increased to 10 percent. These funds help maintain both oversight and accountability activities and also continue resources for statewide, job-driven activities, such as OJT and incumbent worker training.

The balance of the appropriation, \$220,859,000, will be maintained for the National Dislocated Worker Grant. The primary use will be to fund NDWGs that serve dislocated workers impacted by large layoffs and natural disasters. These critical resources supplement state WIA formula programs unable to absorb the unexpected impacts of mass dislocations. For example, during PY 2015, funds were provided to Colorado to continue to provide temporary employment for eligible individuals to assist with clean-up and recovery efforts following the severe storms, flooding, landslides, and mudslides that occurred in Colorado on September 11, 2013.

The National Reserve also will continue be used to provide technical assistance and training to the workforce system, including technical assistance for WIOA implementation, and pilot demonstration projects that identify service strategies for assisting dislocated workers. Additionally, new appropriations language in FY 2015 increased technical assistance and training funding from up to five percent to up to ten percent of the National Reserve and expands the allowable use of the National Reserve technical assistance and training resources to include activities that provide assistance to new entrants in the workforce and incumbent workers.

FY 2014

The FY 2014 appropriation provided \$1,222,457,000 for the WIA DW program for the period of July 1, 2014 through June 30, 2015 (PY 2014). This appropriation included \$1,001,598,000 in DW formula funds and \$220,859,000 for the National Reserve to continue to meet unanticipated increases in the demand for employment and training services throughout the country. At the enacted funding level, the DW formula grant program estimates it will serve 1,015,186 dislocated workers with an Entered Employment Rate of 62.3 percent, an Employment Retention Rate of 84.6 percent, and Six-Month Average Earnings of \$16,694. The NEG program projects

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an Entered Employment Rate of 76 percent, an Employment Retention Rate of 88.6 percent, and Six Months Average Earnings of \$18,979. The 2014 appropriations increased the governor's reserve to 8.75 percent, which enabled the Department to provide innovative statewide activities that include OJT and Incumbent Worker training, in addition to program administration and oversight.

During PY 2014, 34 National Emergency Grants were awarded for job-driven training strategies totaling \$154,757,547. The funding is used to train workers who lost a job through no fault of their own for jobs in high-demand industries. This program is in support of the President's effort to help Americans get the skills they need to secure good quality jobs that are a path to the middle class. West Virginia and Kentucky were awarded additional funding through NEGs to provide reemployment services, including occupational training and job-driven training, to serve workers affected by layoffs in the coal mining industry.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

DETAILED WORKLOAD AND PERFORMANCE							
		2013		2014		2015	2016
		Target	Result	Target	Result	Target	Target
Dislocated Workers Employment and Training Activities							
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-WIADW-01	Entered Employment Rate (Dislocated Worker) ¹	61.20%	60.00%	62.30%	--	62.80%	TBD
ETA-WIADW-02	Employment Retention Rate (Dislocated Worker) ²	84.40%	83.80%	84.60%	--	84.60%	TBD
ETA-WIADW-03	Six Month Average Earnings (Dislocated Worker) ³	\$16,364	\$15,997	\$16,694	--	\$16,998	TBD
ETA-WIAONR-01	Entered Employment Rate (National Dislocated Worker Grants) ⁴	74.90%	75.0%	76.00%	--	76.50%	TBD
ETA-WIAONR-02	Employment Retention Rate (National Dislocated Worker Grants) ⁵	88.40%	88.1%	88.60%	--	88.60%	TBD
ETA-WIAONR-03	Six Month Average Earnings (National Dislocated Worker Grants) ⁶	\$18,619	\$18,264	\$18,979	--	\$19,321	TBD

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

¹ Beginning in PY 2016, Entered Employment Rate will be calculated based on the 2nd quarter after program exit instead of 1st quarter after program exit.

² Beginning in PY 2016, Employment Retention Rate will be calculated based on the 4th quarter after program exit instead of the 3rd quarter after program exit.

³ Beginning in PY 2016, Six Month Average Earnings will no longer be a measure and will be replaced by Median Earnings.

⁴ Beginning in PY 2016, Entered Employment Rate will be calculated based on the 2nd quarter after program exit instead of 1st quarter after program exit.

⁵ Beginning in PY 2016, Employment Retention Rate will be calculated based on the 4th quarter after program exit instead of the 3rd quarter after program exit.

⁶ Beginning in PY 2016, Six Month Average Earnings will no longer be a measure and will be replaced by Median Earnings.

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Workload and Performance Narrative

Beginning in PY 2016, the common measures are revised based on WIOA authorization for six key common performance indicators that are consistent across populations served. These six indicators are: 1) placement in employment, education or long-term training in the second quarter after exit; 2) placement in employment, education or long-term training in the fourth quarter after exit; 3) median earnings of those employed in the second quarter after exit; 4) credential attainment; 5) measurable skill gains toward credential attainment/employment; and 6) effectiveness in serving employers. The targets and results for the six new performance indicators have not been included in the budget because of changes WIOA made to the methodology for calculating the performance indicators. To accurately determine targets and results, the Department is required to collect new baseline data in PY 2016. Based on those data, targets will need to be established in subsequent years.

The training and employment services delivered through the WIOA DW program are designed to address all outcomes. States and local areas target their service delivery strategies to the specific needs of their employer and worker populations, and the Department provides policy and programmatic guidance to help states and local areas identify strategies that are beneficial in improving employment outcomes in the current economy.

The Department will monitor grantee performance regularly through Federal Project Officers in the regional offices to ensure grantees are on target to meet performance goals. Such monitoring informs the design and delivery of technical assistance to improve performance. As part of program monitoring, the Department looks at the following system outputs:

- Number of people served by the program;
- Number of people that received training;
- Number of people that received career services;
- Number of people in training that received a credential;
- Number of people with demonstrated skills gain; and
- Amount of funds spent.

Additional data are collected on the intensity of participant services based on the number served, exiters, and those with positive outcomes for entered employment. These outputs help determine whether states are implementing strategies that will help meet their outcome goals. In addition, the Department will conduct evaluations of WIOA formula programs using the six WIOA common performance indicators that will evaluate the effectiveness of services for various subpopulations and seek to improve program performance. The results of such evaluation and research are used to revise and update program strategies regularly. In 2016, the WIA Adult and Dislocated Worker Programs Gold Standard Evaluation (WGSE) will continue. The WGSE is a rigorous random assignment evaluation of the formula programs established under Title I of WIA. The evaluation is examining the Adult and DW programs' impacts on participants' post-program employment and earnings and their cost effectiveness. The evaluation is comparing the outcomes of WIA participants who receive intensive services and training to the outcomes of similar individuals who receive only core WIA services. The evaluation will provide critical

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insight on the impact and cost effectiveness of various career and training services for participants in the WIOA program.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		2014	2015	2016	Diff. 2016 / 2015
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	1,222,457	1,236,389	1,261,719	25,330
	Total	1,222,457	1,236,389	1,261,719	25,330

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

CHANGES IN FY 2016

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Advisory and assistance services	\$0
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Grants, subsidies, and contributions	0
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Built-Ins Subtotal	\$0
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Net Program	\$25,330
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Direct FTE	0
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	Estimate	FTE
Base	\$1,236,389	0
Program Increase	\$25,330	0
Program Decrease	\$0	0

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	2014	2015	2016	Diff. 2016 / 2015
Activity Appropriation	46,082	46,082	50,000	3,918
FTE	0	0	0	0

Introduction

The Indian and Native American (INA) program, authorized under Section 166 of the Workforce Innovation and Opportunity Act (WIOA) will be undergoing a transition throughout Program Years (PY) 2015 and 2016 as Section 166 provisions are implemented. The INA program is designed to help American Indian, Alaska Native, and Native Hawaiian individuals obtain good jobs and stay employed through the provision of employment, education, training and supportive services necessary to for them to succeed in the labor market. The INA program is intended to: (a) increase the academic, occupational, and literacy skills of Indian and Native American participants to better position them in the workforce, making them more competitive; and (b) equip them as appropriate with the entrepreneurial skills necessary for self-employment. In addition, it connects employers with Native American workers who meet their skills needs, so they successful compete in the global economy. It also promotes the economic and social development of Indian and Native American communities while preserving the goals and values of such communities.

American Indians, Alaska Natives, and Native Hawaiians are the most impoverished population in the United States, with acute unemployment rates in rural and isolated reservations, communities, and villages; many face multiple barriers to employment. More than a quarter (28.9 percent) of American Indian and Native Americans live in poverty, and these individuals are three times as likely to receive public assistance compared to the total population.³² About 21 percent of American Indians and Alaska Natives ages 25 and over have less than a high school diploma, compared to 13.4 percent for the total US population.³³

Improving these statistics requires a concentrated effort to enhance education and employment opportunities, to create pathways to jobs and careers with advancement opportunities, and to help Indians and Native Americans enter and remain in the middle class. The WIOA Section 166 grant program does this by providing intensive training and employment services specifically targeted to Indians and Native Americans who may not otherwise receive these services. The WIOA Section 166 program is the only Federal employment and job training program that provides funding to serve American Indians, Alaska Natives, and Native Hawaiians who reside both on and off reservations, including those who are living in urban areas and facing cultural challenges in transitioning from remote reservation areas to densely populated urban areas. For American Indians and Alaska Natives living on remote reservations, the challenge is lack of access to services as the nearest American Job Center is often many miles away. These distances

³² 2013 American Community Survey for the American Indian and Alaska Native alone population

³³ 2013 American Community Survey for the American Indian and Alaska Native alone population.

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and the lack of transportation create barriers to Native Americans accessing the employment and training services at off-reservation American Job Centers.

The WIOA Section 166 INA program provides services to adults through a network of 178 grantees. These grantees provide a range of activities that support the program goals including, but not limited to: assistance with tuition and books; resume writing and interviewing; job referrals; assistance with work-related expenses such as necessary tools or uniforms; transportation assistance; payment for professional and licensing fees; and work-based learning such as On-the-Job Training. WIOA continues to support the Department's consultation with the Native American Employment and Training Council as it plans grant funding opportunities, including strategies and activities to be undertaken by grantees, performance accountability and reporting, and technical assistance. The program emphasizes training in jobs that are in high demand in the local economy as well as high demand jobs available outside the local community for individuals that are willing to relocate to obtain employment. With the emphasis on entrepreneurship, the Department will encourage and provide assistance to grantees that offer an opportunity to Native Americans to acquire the entrepreneurial skills necessary for successful self-employment. Supplemental youth funding is also awarded to help low-income Native American youth and Native Hawaiian youth, between the ages of 14 and 21, acquire the educational and occupational skills needed to achieve academic and employment success and transition to careers and productive adulthood.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2011	\$52,652	0
2012	\$47,562	0
2013	\$45,082	0
2014	\$46,082	0
2015	\$46,082	0

Funding Mechanism

The WIOA programs operate on a Program Year (PY) calendar. Therefore, funds appropriated in FY 2016 will be available from July 1, 2016 through June 30, 2017, or PY 2016. WIOA Section 166 authorizes grant funding to Indian tribes, Alaska Natives, Native Hawaiians, and tribal non-profit organizations on a competitive basis; however, grantees selected from this process are funded through a statutory formula defined in WIOA. A grant competition is conducted every four years to select American Indian, Alaska Native, and Native Hawaiian entities to provide employment and training services to unemployed and low income American Indians, Alaska Natives, and Native Hawaiians.

FY 2016

The Department is requesting \$50,000,000 in FY 2016 for the period of July 1, 2016 through June 30, 2017 (PY 2016), which is a \$3,918,000 increase over the FY 2015 (PY 2015) enacted

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level of \$46,082,000. At this funding level, the program will serve approximately 30,432 unemployed and under-skilled Indian, Alaska Native, and Native Hawaiian adults, approximately 2,384 additional participants the number that can be served in FY 2015. Under WIA, the Section 166 INA program had three primary performance measures - entered employment, employment retention and average earnings. While WIOA retains an employment measure, it now measures employment in the second quarter after exit, and adds a second employment measure for employment in the fourth quarter after exit. It changes the average earnings measure to median earnings of those employed in the second quarter after exit. In addition to these performance indicators, WIOA includes three other performance indicators: credential attainment, measurable skill gains, and effectiveness in serving employers. As a result of these changes, the Department will develop baseline data using the new definitions in order to establish future performance targets.

The INA program will continue to develop policies and implement strategies that support economic growth in rural reservation and also provide services to American Indian, Alaska Native and Native Hawaiians living in urban areas. The program will continue to engage employers to address their needs, and promote entrepreneurship where possible. In addition, the INA program will focus on improving administrative efficiencies to lower overhead costs and increase the number of individuals who can be served or enhance the quality of services provided through the program. The Department also will continue to work with Section 166 grantees to help more Native Americans access and complete post-secondary education. In PY 2016, the second year of WIOA implementation, the INA program will focus technical assistance on:

- ***Increased Credential Attainment.*** Because credential attainment is strongly associated with improved labor market outcomes for workers, the Department will seek to increase the percent of exiters who acquire an in-demand industry-recognized credential.
- ***Evidence-Based Decision-Making.*** To help grantees make Section 166 services more job-driven and effective, the Department will continue to summarize and disseminate evidence on what works in job training for adults and for youth to improve outcomes for both participants and employers.

To address the need for greater levels of skills and education, and consistent with the White House Job-Driven Training initiative, the Department will encourage the development and implementation of sector strategies — a proven approach to help job seekers transition to in-demand and growing occupations. Sector-focused programs, such as in the fields of science, technology, engineering, and mathematics (STEM), aim to connect job seekers and workers to employment opportunities, addressing unmet hiring needs of local employers and improving participants' prospects in the labor market.

FY 2015

The FY 2015 (PY 2015) appropriation was \$46,082,000 to meet the employment and training needs of the Indian, Alaska Natives, and Native Hawaiian population for the period of July 1, 2015 through June 30, 2016. At this funding level, the program will serve approximately 28,047 unemployed and under-skilled Indian, Alaska Native, and Native Hawaiian adults.

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PY 2015 is the first year of WIOA, and the Department will continue to provide training and technical assistance to INA grantees on key changes in WIOA, including participation in the American Job Centers, emphasis on increased credential attainment and evidence based decision making. The Department initiated in CY 2014 webinars and a town hall meeting with INA grantees and other stakeholders to begin to prepare them for the transition from WIA to WIOA, including the conversion of data reporting and management systems, program policies, and practices.

The Department will continue to build upon key priorities and initiatives that began in PY 2014 which are consistent with the WIOA requirements such as career pathways and industry-recognized credential attainment focused in in-demand industries and occupations. The INA program also will continue to develop policies and implement strategies that focus on strengthening partnerships to develop economies in rural reservation areas while providing services to American Indian, Alaska Native and Native Hawaiians living in urban areas. It will aim to improve administrative efficiencies and increase participant access to post-secondary education opportunities.

FY 2014

In FY 2014 (PY 2014), the Department received \$46,082,000 to operate the WIA Section 166 program. With this funding, the program served 36,498 unemployed and low-skilled Indian, Alaska Native, and Native Hawaiian adults. Of this amount, 11,827 participants will receive intensive training and support services and of these individuals 7,604 will complete their training in PY 2014 while the remaining 4,223 will continue their training into PY 2015. Additionally, 63.2 percent of the individuals who participate in intensive training in PY 2014 obtained employment within the first quarter after they exit the program. This exceeded the 62.1 percent target rate established for the program. In addition, 79.4 percent of the individuals who exited the program and obtained a job also retained employment in the second and third quarters after exiting the program which exceeded the 78.2 percent target established for the program. Average earnings for the INA program in PY 2014 were \$9,476 which was slightly below the \$10,406 target established for the program. PY 2014 was the first year in which outcome data on the credential attainment were available and the data showed that, of the individuals that were placed in training, 23.4 percent obtained a credential. While this rate is lower than expected, the Department expects the credential attainment rate to improve once the changes have been made to the grantee data collection and reporting system to improve data collection on participants' credential attainment outcomes.

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DETAILED WORKLOAD AND PERFORMANCE							
		2013		2014		2015	2016
		Target	Result	Target	Result	Target	Target
Indian and Native American Programs							
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-INAP-WIA-01	Entered Employment Rate (Indian and Native Americans Program) ³⁴	62.1%	63.2%	64.90%	--	64.1%	TBD
ETA-INAP-WIA-02	Employment Retention Rate (Indian and Native Americans Program) ³⁵	77%	79.4%	78.20%	--	77.2%	TBD
ETA-INAP-WIA-03	Six Month Average Earnings (Indian and Native Americans Program) ³⁶	\$10,406.00	9,476.00	\$10,183.00	--	\$10,922	TBD

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

³⁴ Beginning in PY 2016, Entered Employment Rate will be calculated based on the 2nd quarter after program exit instead of 1st quarter after program exit.

³⁵ Beginning in PY 2016, Employment Retention Rate will be calculated based on the 4th quarter after program exit instead of the 3rd quarter after program exit.

³⁶ Beginning in PY 2016, Six Month Average Earnings will no longer be a measure and will be replaced by Median Earnings.

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Workload Summary

Beginning in PY 2016, the common measures are revised based on WIOA authorization for six key common performance indicators that are consistent across populations served. These six indicators are: 1) placement in employment, education or long-term training in the second quarter after exit; 2) placement in employment, education or long-term training in the fourth quarter after exit; 3) median earnings of those employed in the second quarter after exit; 4) credential attainment; 5) measurable skill gains toward credential attainment/employment; and 6) effectiveness in serving employers. The targets and results for the six new performance indicators have not been included in the budget because of slight changes WIOA made to the methodology for calculating the measures. To accurately determine targets and results, the Department is required to collect new baseline data in PY 2016. Based on those data, targets will need to be established in subsequent years.

In the interim, the Department will provide technical assistance and guidance to the grantees on the new performance indicators (credential attainment, measurable skills gains, and effectiveness in serving employers) and the new, more detailed reporting requirements required under WIOA. In addition to the required indicators, the Department will work with the grantees to emphasize: (a) increased services to American Indian, Alaska Native, and Hawaiian Native veterans and/or eligible spouse participants; and (b) the economic and social development of participants in accordance with the goals and values of their communities.

To help grantees implement these strategies, the FY 2016 Request includes one percent set-aside for training and technical assistance, which will support projects such as, but not limited to: (a) improving grantees' performance reporting and enhancing the program reporting and management system to meet WIOA requirements; (b) increasing credential attainment; (c) providing supporting documentation about the impact the programs have on lives of individual Indians and Native Americans who participate in WIOA programs; and (d) partnering with other Federal agencies to help American Indian, Alaska Native, and Native Hawaiian communities leverage the full range of federal resources available to support their employment and training needs, including connecting with state and local workforce development boards, employers, and economic development entities, and emphasizing entrepreneurship training when possible.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		2014	2015	2016	Diff. 2016 / 2015
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
25.2	Other services from non-Federal sources	0	0	0	0
25.7	Operation and maintenance of equipment	0	0	0	0
41.0	Grants, subsidies, and contributions	46,082	46,082	50,000	3,918
	Total	46,082	46,082	50,000	3,918

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CHANGES IN FY 2016

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Other services from non-Federal sources	0
Operation and maintenance of equipment	0
Grants, subsidies, and contributions	0

Built-Ins Subtotal **\$0**

Net Program **\$3,918**

Direct FTE **0**

	Estimate	FTE
Base	\$46,082	0
Program Increase	\$3,918	0
Program Decrease	\$0	0

MIGRANT AND SEASONAL FARMWORKERS

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	2014	2015	2016	Diff. 2016 / 2015
Activity Appropriation	81,896	81,896	81,896	0
FTE	0	0	0	0

Introduction

The National Farmworker Jobs Program (NFJP) is a nationally-directed, locally administered program providing employment and training services to migrant and seasonal farmworkers (MSFWs) and their dependents. Created by the Economic Opportunity Act of 1964, and currently authorized under section 167 of the Workforce Innovation and Opportunity Act (WIOA), the NFJP seeks to counter the impact of the chronic unemployment and underemployment experienced by MSFWs who depend primarily on jobs in agricultural labor. NFJP services are provided by community-based organizations and public agencies that assist MSFWs and their families to attain greater economic stability. The program responds to the unique needs of MSFWs through employment services, skills training, English language and literacy instruction, pesticide and worker safety training, school dropout prevention and supportive services. NFJP supports the goals of WIOA and enables job seekers to succeed in the American labor market.

Program services are accessed through NFJP grantees, who are required partners in the American Job Center network. The NFJP is not a substitute for other WIOA services that must be available to farmworker job seekers. In addition to directly providing employment and training services, the NFJP connects its participants to relevant services of the American Job Center network.

In providing services to MSFWs, NFJP grantees must take into account factors that are unique to this population. One such factor is the mobility of the farmworker population. NFJP grantees use specific outreach and service delivery methods to serve participants who would otherwise not be able to take advantage of services offered through the network of American Job Centers. Because of the specific, targeted outreach that it provides, the program is able to reach a long-term disadvantaged population with multiple barriers to employment. The mobility of the farmworker population also creates challenges for their families. Minors who accompany families in search of work have an inherent educational disadvantage and NFJP also serves dependents of MSFWs, offering youth workforce activities and services to equalize their educational opportunities.

The cyclical nature of agricultural work leads MSFWs to seek off-season work in industries that require similar skill sets. According to the National Agricultural Worker Survey (NAWS), 28 percent of agricultural workers reported holding at least one non-farm job in the 12 months prior to the interview. Because MSFWs often work in labor-intensive positions in industry sectors such as construction, they are prime candidates for dislocation in economic downturns or slow recoveries. This dislocation presents an exponential challenge to farmworkers, who do not

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qualify under most unemployment benefit programs, primarily because most agricultural employers do not meet requirements for coverage related to the number of employees or amount of wages paid.

The agricultural industry is characterized by a large workforce with numerous job openings, chronic unemployment and underemployment due to the cyclical nature of the work, and below average pay. MSFWs, whose livelihoods are primarily derived from agricultural employment experience these difficulties and also are faced with additional barriers to employment. According to information from NAWS, these barriers include low levels of education. MSFWs have an average of eighth grade attainment, with 30 percent having no spoken English skills and 40 percent having no written English skills. To address these barriers, NFJP grantees utilize a comprehensive service model that combines an array of employment services, skills training, English language and literacy instruction, and supportive services.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2011	\$84,451	0
2012	\$84,291	0
2013	\$79,897	0
2014	\$81,896	0
2015	\$81,896	0

Funding Mechanism

WIOA programs operate on a Program Year (PY) calendar. Therefore, funds appropriated for NFJP in FY 2016 are available from July 1, 2016 through June 30, 2017. WIOA requires the Department to conduct a grants competition every four years to select the community organizations and state agencies that will operate the NFJP and the grant competition is performed through a Funding Opportunity Announcement (FOA) for grant applications, typically for employment and training grants and for housing grants. The competition is open to state and local agencies, state and local workforce investment boards, faith-based and community organizations, institutions of higher education, and other entities that have the capacity to operate a diversified program of workforce services. In non-competition program years, each grant recipient is required to submit an annual grant plan for the coming year and criteria for the content of these plans are contained in a Training and Employment Guidance Letter issued to all grantees.

NFJP funds are allocated annually to state service areas via formula. The formula estimates the numbers of eligible farmworkers in each state by drawing data from the Census, the Agricultural Census, the NAWS, and the Farm Labor Survey. There is at least one grant organization in every state and Puerto Rico with the following exceptions: Alaska and Washington, DC, do not have a grant due to the very small relative share of agricultural employment; Connecticut and Rhode Island are a combined state service area; and Maryland and Delaware are a combined

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state service area. Because of the large number of agricultural workers, California is represented by a total of five grant organizations.

FY 2016

The Department is requesting \$81,896,000 in FY 2016 for the period of July 1, 2016 (PY 2016) for NFJP. Of this amount, \$81,402,000 will be allocated for formula grants for employment and training services and for grants for permanent and temporary housing; and \$494,000 for discretionary purposes, including technical assistance to grantees.

In PY 2016, NFJP will be in its second year of WIOA implementation, and the first year using the performance indicators defined in the WIOA regulations that will be finalized in early 2016. In early PY 2016, the Department will hold a grant competition for NFJP. The competition will be conducted by issuing a Funding Opportunity Announcement and new NFJP grants will be awarded for each state service area. The Department will provide orientation for grantees new to the program in this fiscal year. With these funds, the program will improve the lives of farmworkers and their families by:

- Helping farmworkers in low-wage jobs by providing training to increase their skill level and offering supportive services and related assistance to address employment barriers;
- Increasing worker wages and narrow income inequality by providing a unique array of employment and training services to a vulnerable population;
- Helping farmworkers enter into and/or remain in the middle class by offering them and their dependents services that help them attain stable, good-paying, year-round jobs in and out of the agricultural industry; and
- Providing permanent and temporary housing assistance that enables farmworkers to complete skills training, retain employment, and improve their economic outcomes.

These funds will serve over 19,000 MSFWs with employment services, skills training, and supportive services. In PY 2016, NFJP will be measured by common WIOA performance indicators:

- Percent employed second quarter after exit
- Percent employed fourth quarter after exit
- Median earnings
- Credential attainment
- Measurable skill gains
- Effectiveness in serving employers

FY 2015

The FY 2015 appropriation provided \$81,896,000 for the period of July 1, 2015 through FY 2016 (PY 2015) for NFJP. Of this amount, \$75,885,000 will be allocated for formula grants for employment and training services; \$5,517,000 for permanent and temporary housing; and \$494,000 for other purposes, including technical assistance to grantees.

MIGRANT AND SEASONAL FARMWORKERS

These funds will serve over 19,000 MSFWs with employment services, skills training, and supportive services. NFJP consistently achieves high performance outcomes and the performance goals for the program for 2015 are as follows:

- Entered Employment Rate: 87.0 percent;
- Employment Retention Rate: 83.3 percent; and
- Six Months Average Earnings: \$10,871.

In PY 2015, the Department is also focusing on the implementation of WIOA including:

- Better aligning the program with other strategies developed for the public workforce system to achieve integration of services for farmworkers;
- Supporting the NFJP grantee organizations through enhanced technical assistance and training efforts that enable the program to operate efficiently and effectively;
- Developing partnerships with other federal agencies serving farmworkers to better align and leverage federal resources available to support this population; and
- Enhancing program management, accountability, and reporting.

FY 2014

For FY 2014 (PY 2014), the Department received \$81,896,000 for operating NFJP. Of this amount, \$75,885,000 was allocated for formula grants for employment and training services; \$5,517,000 for permanent and temporary housing; and \$494,000 for other purposes, including technical assistance to grantees.

These funds serve over 19,000 migrant and seasonal farmworkers with employment services, skills training, and supportive services. At the PY 2014 enacted level, the NFJP will have an Entered Employment Rate of 86.7 percent; Employment Retention Rate of 83.2 percent; and Six Months at Average Earnings: \$10,686.

To support grantees in achieving these outcomes, and ensure strong and consistent program management, the Department focused on:

- Training grantee organizations on the fiscal responsibilities and requirements in the use of grant funds;
- Implementing a new approach for establishing grantee performance targets that adjusts for the economic conditions and participant characteristics of the service area;
- Identifying strategies for helping farmworkers with specific barriers to employment, such as those with criminal backgrounds;
- Training grantee organizations on industry competency models and how these models can be used in program design and service delivery;
- Launching new technical assistance approaches that promote information-sharing while conserving resources, including peer-to-peer technical assistance activities and a virtual community of practice; and
- Sharing information on effective strategies for employer engagement and job development.

MIGRANT AND SEASONAL FARMWORKERS

DETAILED WORKLOAD AND PERFORMANCE							
		2013		2014		2015	2016
		Target	Result	Target	Result	Target	Target
Migrant and Seasonal Farmworkers							
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-NFJP-01	Entered Employment Rate (National Farmworkers Job Program) ¹	86.10%	88.10%	86.70%	--	87.00%	TBD
ETA-NFJP-02	Employment Retention Rate (National Farmworkers Job Program) ²	83.20%	85.60%	83.2%	--	83.3%	TBD
ETA-NFJP-03	Six Month Average Earnings (National Farmworkers Job Program) ³	\$10,501.00	\$10,855	\$10,686.00	--	\$10,871.00	TBD
ETA-NFJP-04	Number of Participants Served (National Farmworkers Job Program)	18,690[p]	18,025	19,157[p]	--	19,157[p]	19,157[p]
	Cost Per Participant	\$3,961.00	\$4,107.24	\$3,961.00	--	\$3,961.00	\$3,961.00

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

¹ Beginning in PY 2016, Employment Rate will be calculated based on the 2nd quarter after program exit instead of 1st quarter after program exit.

² Beginning in PY 2016, Employment Retention Rate will be calculated based on the 4th quarter after program exit instead of the 3rd quarter after program exit.

³ Beginning in PY 2016, Six Month Average Earnings will no longer be a measure and will be replaced by Median Earnings.

MIGRANT AND SEASONAL FARMWORKERS

Workload and Performance Narrative

Program grantees target their service delivery strategies to the specific needs of the MSFW population in their state service areas and the workforce needs of employers in those areas. The Department provides policy and programmatic guidance to help grantees identify strategies that are beneficial in improving successful employment outcomes for this hard-to-serve population in the current economy.

Beginning in PY 2016, the common performance indicators are revised based on WIOA authorization for six key performance indicators that are consistent across populations served. These six indicators are: 1) placement in employment, education or long-term training in the second quarter after exit; 2) placement in employment, education or long-term training in the fourth quarter after exit; 3) median earnings of those employed in the second quarter after exit; 4) credential attainment; 5) measurable skill gains toward credential attainment/employment; and 6) effectiveness in serving employers. The targets and results for the six new performance indicators have not been included in the budget because of changes WIOA made to the methodology for calculating the indicators. To accurately determine targets and results, the Department is required to collect new baseline data in PY 2016. Based on those data, targets will need to be established in subsequent years.

In addition to outcomes, the Department also measures workload in terms of the number participants served by the program. In FY 2016, the program projects serving 19,157 participants at an average cost of \$3,961 per participant. The projected number of participants for FY 2016 is derived by dividing the FY 2016 funding level for NFJP formula grants by the average cost per participant for the last three program years. The Department also monitors grantee performance regularly through Federal Project Officers in regional offices to ensure grantees are on target to meet performance goals. Such monitoring also informs the design and delivery of technical assistance efforts to help grantees improve performance.

MIGRANT AND SEASONAL FARMWORKERS

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		2014	2015	2016	Diff. 2016 / 2015
25.2	Other services from non-Federal sources	0	0	0	0
41.0	Grants, subsidies, and contributions	81,896	81,896	81,896	0
	Total	81,896	81,896	81,896	0

MIGRANT AND SEASONAL FARMWORKERS

CHANGES IN FY 2016

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Other services from non-Federal sources \$0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program \$0

Direct FTE 0

	Estimate	FTE
Base	\$81,896	0
Program Increase	\$0	0
Program Decrease	\$0	0

TECHNICAL ASSISTANCE

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	2014	2015	2016	Diff. 2016 / 2015
Activity Appropriation	0	0	3,232	3,232
FTE	0	0	0	0

Introduction

Section 168 of the Workforce Innovation and Opportunity Act (WIOA) requires the Secretary of Labor to ensure the Department provides technical assistance to the workforce system. The WIOA requires that the Department maintain the capacity to provide training and technical assistance to the workforce system and its staff, in particular to replicate effective practices; train state and local boards; integrate intake, case management, and financial management systems and program operations; and transition to the new law. In addition, WIOA requires the Department, along with the Department of Education, as needed, to provide technical assistance to any grantee that fails a performance measure.

Although technical assistance has been a vital part of workforce system support since the implementation of the Workforce Investment Act (WIA) in 1998, much of the technical assistance work done under WIA was funded by the dislocated worker technical assistance set-aside, which was a required activity that benefited dislocated workers. Other programs have program-specific technical assistance set-asides, but, similarly, that technical assistance is targeted to those specific groups (i.e. Indian and Native American program and Migrant Seasonal Farmworkers program.)

The WIOA technical assistance set-aside at Section 168 of the Act is an acknowledgement of the system’s need for designated funds to support technical assistance to more broadly transfer knowledge and improve performance across WIOA programs. Technical assistance and training is an essential element of grants management and essential to any continuous improvement of the public workforce system. Based on the Department’s experience with the Workforce Innovation Fund, we have seen promising results from investing in a robust technical assistance strategy in terms of return on investment, cost efficiencies, and improved services to jobseekers and employers.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2011	\$0	0
2012	\$0	0
2013	\$0	0
2014	\$0	0
2015	\$0	0

TECHNICAL ASSISTANCE

Funding Mechanism

WIOA programs operate on a program year of July 1 through the following June 30. Funds appropriated in FY 2016 are available from July 1, 2016 through June 30, 2017, or PY 2016. The Department will obligate these funds via grants and/or contracts to provide technical assistance to states, local areas, and other technical assistance providers.

FY 2016

The Department is requesting \$3,232,000, for the period of July 1, 2016 through June 30, 2017 (PY 2016), which will allow the Department to be responsive to the needs of the system and assist states in the second year of WIOA implementation. The Department's ability to successfully support WIOA through the early formative years largely depends on its ability to reach states, identify and address barriers to state implementation, and provide consistent and quality training and coaching. Investing in technical assistance is a cost-effective way to ensure consistency in state and local adherence to statute and regulations, and to more rapidly identify and transfer knowledge about promising practices emerging in states and local areas. An investment in technical assistance for WIOA programs will result in faster adoption of critical policy priorities, such as increased credential attainment and skills gain; faster and more widespread adoption of performance-enhancing and cost-effective innovations in service delivery; support of integrated technology solutions; improved performance outcomes; increased reporting accuracy; and faster identification of grants-management issues.

PY 2016 technical assistance will build upon efforts provided through Dislocated Worker National Reserve technical assistance funds in PY 2015. The Department will assess the first year of WIOA implementation in order to determine the priority areas for technical assistance in 2016. Technical assistance will include a strong focus on strategic planning, resource and programmatic alignment, and accountability and transparency. Activities will focus on training staff, designing improved American job center systems, enhancing assessments and access to labor market information and developing other tools/resources in priority areas identified through workforce system stakeholder input and the analysis of the complexities of implementing certain provisions, such as:

- Conducting robust strategic planning across the core programs and additional partners at the state, regional, and local levels to implement the State's strategic vision for preparing an educated and skilled workforce.
- Implementing customer-centered, integrated American Job Center services so that job seekers and employers have access to high-quality workforce services that enable both to prosper. This includes successfully negotiating infrastructure/shared services costs and addressing real estate issues generated by co-location requirements and developing training models to cross train front-line center staff.
- Implementing evidence-based training strategies, including Registered Apprenticeship, OJT, and other models, to prepare job seekers for jobs available now.
- Increasing and providing evidence-informed services to out-of-school youth to prepare them for in-demand occupations. These activities will assist local areas with rapidly

TECHNICAL ASSISTANCE

implementing the Title I Youth program's enhanced and required focus on out-of-school youth. This is critical to achieving WIOA's vision of reaching out to youth and guiding them successfully to complete services that lead to advanced training, including apprenticeship and employment.

- Implementing effective and robust business engagement strategies and activities that support the President's Job-Driven Training Vision.
- Using integrated reporting systems to inform customer choice and data-driven performance and program management. This includes supporting the integration of intake, case management, and performance reporting systems, as well as fiscal and management accountability systems. This activity will also draw on the proposed joint DOL and ED team to help resolve barriers to effectively using wage data for performance reporting and evaluation purposes.
- Implementing new indicators of performance and Eligible Training Provider (ETP) reporting requirements. PY 2016 is the first year of the new WIOA primary indicators of performance, which are significantly different than those under WIA. States can utilize support to connect to education partners for inclusion on the ETP list and to address the significantly different capacities of educational institutions to provide data on performance outcomes.
- Positioning state and local workforce development boards as strategic leaders to implement regional sector strategies and career pathway systems, as well as to effectively administer workforce programs that meet job seeker and employer needs by ensuring connections to elected officials, community leaders, and regional business employers.

These activities would be provided at three levels:

- Universal capacity building activities designed to increase broad awareness and understanding across the workforce system;
- Targeted capacity building activities to reach specific cohorts (e.g., state and regional leaders, local workforce development board members, American Job Center staff) to increase their competencies and skills; and
- Customized activities to build the capacity of organizations and systems to implement WIOA.

Workload and Performance Narrative

Performance measures have not yet been established for this budget activity. The Department is currently reviewing possible performance measures to track and report on technical assistance delivery.

TECHNICAL ASSISTANCE

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		2014	2015	2016	Diff. 2016 / 2015
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	0	0	3,232	3,232
	Total	0	0	3,232	3,232

TECHNICAL ASSISTANCE

CHANGES IN FY 2016

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Advisory and assistance services \$0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program \$3,232

Direct FTE 0

	Estimate	FTE
Base	\$0	0
Program Increase	\$3,232	0
Program Decrease	\$0	0

REINTEGRATION OF EX-OFFENDERS

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	2014	2015	2016	Diff. 2016 / 2015
Activity Appropriation	80,078	82,078	95,078	13,000
FTE	0	0	0	0

Introduction

The Reintegration of Ex-Offenders (RExO) program promotes and protects opportunity by preparing adult and youth ex-offenders for the job market. The RExO program helps adult and juvenile ex-offenders obtain employment and/or training in industries and occupations that offer good wages and opportunities for advancement. The program helps participants acquire skills and knowledge that will prepare them to find good jobs and stay employed in a knowledge-based economy, especially in in-demand industry sectors. RExO participants receive comprehensive career assistance and supportive services to ensure they can complete education and training programs that they have started. Participants are provided mentors, career coaches, transportation to and from work and school, help with housing and much more. These training opportunities are focused on providing industry-recognized credentials in in-demand industries, so that participants have increased opportunities for employment and the necessary skills for job advancement. RExO programs promote a seamless progression along career pathways that combine education and training and result in participant progress and long-term success.

The Workforce Innovation and Opportunity Act (WIOA) signed into law on July 22, 2014, is the first reform of the public workforce system in more than 15 years. It defines offenders as adult or juveniles who have been subject to any stage of the criminal justice process, and for whom services under the Act may be beneficial or, people that require assistance in overcoming artificial barriers to employment resulting from a record of arrest or conviction (Section 3(38)).

As of December 31, 2013, there were about 1.6 million persons in adult state and Federal prisons in the United States⁴⁰ and 730,000 in local jails.⁴¹ Transitioning adult and juvenile offenders face extraordinary challenges in reintegrating into society as well as obtaining and retaining employment. While these populations are at a disadvantage in the most prosperous of times, there are labor market challenges directly affecting the offender population that, if unaddressed, will have long-term consequences for the nation.

Juvenile courts handled 1.2 million delinquency cases in 2011, resulting in 95,900 out-of-home placements, 446,400 probation assignments, and 294,200 other sanctions.⁴² Court-involved

⁴⁰ Glaze, Lauren and Heberman, Errin. 2013. "Correctional Populations in the United States, 2012." U.S. Bureau of Justice Statistics

⁴¹ Correctional Populations in the U.S., 2013, Lauren E. Glaze and Danielle Kaible, Bureau of Justice Statistics, U.S. Department of Justice, December 2014

⁴² Hochenberry, Sarah and Puzancherra, Charles, "Juvenile Court Statistics 2011", National Center for Juvenile Statistics, Office of Juvenile Justice and Delinquency Prevention, U.S. Department of Justice, July 2014.

REINTEGRATION OF EX-OFFENDERS

youth are highly at-risk of not being successful in the workforce and have high rates of recidivism. For example, 79 percent of youth released from juvenile correctional facilities and 62 percent of youth placed on probation in Virginia are arrested for a new crime within three years.⁴³ Adults in the criminal justice system have low levels of educational attainment. Based on the 2011-2012 National Inmate Survey conducted by the Department of Justice, 57 percent of prison and jail inmates have dropped out of high school, 20 percent have a high school diploma without going on to college, 16 percent have some college experience, and 7 percent have a four-year college degree or higher.⁴⁴

These low levels of educational attainment are steep barriers to employment when released prisoners return to their home communities. Jobs paying family-sustaining wages increasingly require a post-secondary credential. In its 2012 Employment Projections, for example, BLS reported that occupations that require a post-secondary degree are expected to grow the fastest from 2010 to 2020. In the case of former offenders, research has shown that employment and wage levels are related to rates of re-incarceration. A 2008 Urban Institute study of persons released from state prisons in Illinois, Ohio, and Texas found that only 45 percent of ex-offenders returning to Chicago, Houston, and Cleveland were employed eight months after release.⁴⁵ The study also found that predicted probabilities of re-incarceration were 8 percent for those earning more than \$10 per hour at two months after release; 12 percent for those earning \$7 to \$10 per hour; and 16 percent for those earning less than \$7 per hour—compared with 23 percent for those who were unemployed.

Adult reentry programming focuses on former offenders age 18 and older who were incarcerated in the adult justice system. These employment and training programs are designed to enhance skill levels and increase the opportunity for employment or training in in-demand industries that offer industry-recognized credentials. These programs provide comprehensive post-release services targeted in urban communities characterized by large numbers of returning offenders. In an effort to meet offenders where they are, the adult-serving grants work to increase employment and training opportunities in in-demand occupations for offenders prior to release from incarceration, including offenders participating in work release programs or in halfway houses. Work-based learning opportunities that enable participants the chance to gain or enhance their skills while they are still in a safe environment are built into the programs. Upon reentry into their community, participants are much more likely to get hired and start earning a salary immediately which stabilizes their lives upon return. In addition, mentoring is an important component for these programs, and one that leverages existing Department of Justice resources in the field.

Given the challenges described above, employment and training programs for reentering youth and adult offenders are necessary for the current and future well-being of the nation's communities and to reduce recidivism. To address these issues and support the Department's strategic goals, youthful ex-offender programs serve participants who are at risk of involvement with, or have been involved in, the juvenile justice system and have never been involved in the

⁴³ FY 2013 Data Resources Guide, Virginia Department of Juvenile Justice.

⁴⁴ Educational attainment percentages are from 118-2012 National Inmate Survey conducted by the Bureau of Justice Statistics.

⁴⁵ Visher, Christy A., Sara Debus, and Jennifer Yahner. 2008. "Employment after Prison: A Longitudinal Study of Releases in Three States." Washington, DC: The Urban Institute.

REINTEGRATION OF EX-OFFENDERS

adult justice system. These youth-serving projects support a set of demonstrations that provide services to juvenile ex-offenders and youth who have been involved in the juvenile justice system but have not yet been adjudicated. These youth programs focus on increasing the attainment of high school diplomas and credentials, as well as prevention and reduction of crime among those youth populations most at-risk of offending. In addition, RExO programs bring critical partners together across communities including American Job Centers, educational institutions, community-based organizations and others that support juvenile and adult offenders.

Both the adult and youth programs focus on developing the skills and knowledge necessary to succeed in a knowledge-based economy. Finally, RExO grants rely on employer engagement to ensure that participants are trained for jobs that are available now in that community by identifying the skills needed in the workplace.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2011	\$85,390	0
2012	\$80,238	0
2013	\$76,055	0
2014	\$80,078	0
2015	\$82,078	0

Funding Mechanism

WIOA programs operate on a Program Year basis, from July 1 through the following June 30. Thus, funds appropriated in FY 2016 are available from July 1, 2016, through June 30, 2017, or PY 2016. The Department funds RExO projects through a competitive solicitation process. Grants for serving adult ex-offenders are awarded to non-profit faith-based and 501(c)(3) community- and faith-based organizations. Grants for serving youth offenders may be awarded to various types of organizations, including non-profit national and regional intermediaries, 501(c)(3) community- and faith-based organizations, state and local government agencies, and Indian and Native American entities eligible for grants under WIOA Section 166. In addition, a small portion of the RExO funds will be competitively awarded to eligible youth-serving organizations to develop and pilot a youth law enforcement career pathway.

FY 2016

The Department requests \$95,078,000 in FY 2016 for the period of July 1, 2016 through June 30, 2017 (PY 2016). This is an increase of \$13,000,000 over the FY 2015 (PY 2015) appropriation of \$82,078,000 to fund RExO projects that serve adult and juvenile offenders. PY 2016 will be the second year of WIOA implementation. Approximately \$30,000,000 will be used for grants to serve adult offenders at various levels of supervision, including offenders in pre-release, those transitioning through work-release programs, and those in post-release. The Department will use lessons from the previous Training to Work grants, which provided a full array of employment services to offenders supervised under local work-release programs, as well as lessons learned

REINTEGRATION OF EX-OFFENDERS

through the random assignment evaluation of ETA's adult ex-offender grants. In designing services for adult offenders, we also will implement strategies from a white paper on integrating reentry and employment strategies released by the Council of State Government's Justice Center, in collaboration with the Center for Employment Opportunities, the Department of Justice, and the Annie E. Casey Foundation.

Approximately \$40,000,000 will be used to serve juvenile offenders. Of this amount, \$20,000,000 will be used for high-poverty/high-crime intermediary grants, which provide comprehensive services to juvenile offenders residing in high-poverty communities with high crime rates. The remaining \$20,000,000 of Juvenile offender funds will be used to continue (a) demonstration projects begun with FY 2015 funds that are evaluated using a random assignment methodology, and (b) Face Forward grants that use justice strategies such as expungement and diversion in addition to workforce activities to prepare juvenile offenders to join the labor force.

The Department will use about \$15,000,000 to continue building on the PY 2014 Linking Employment Activities Pre-Release (LEAP) projects, which will fund a number of satellite American Job Centers within local correctional facilities. The Department would expand the number of LEAP projects in additional local and state correctional facilities. These grants provide career and supportive services to transitioning offenders pre-release and after release, the transitioning offenders are linked directly to their local American Job Centers to ensure they have access to a continuum of employment, training or support services. The LEAP projects provide quality career guidance and planning for a successful transition back to communities.

The Department of Labor, in collaboration with the Department of Justice will use about \$5,000,000 to competitively award up to 20 grants to community partnerships of workforce entities, community-based organizations, schools, and law enforcement agencies to pilot the Law Enforcement Services Career Pathways Program. This program will serve youth ages 16 – 18 at risk of offending by providing them with opportunities to explore in-demand careers in law enforcement services, including security and forensic sciences, and encourage them to consider careers in law enforcement to serve their communities. Grantees will have the opportunity to expand existing programs or develop new ones that focus on academics and career exploration, and a summer component that offer youth work-experience and a small stipend.

The remaining funds will be used by the Department to contribute to evaluation of the RExO programs, and to provide technical assistance to juvenile offender grantees to help them improve their performance; examples of the technical assistance include improving connections to ongoing partnerships between grantees and private sector employers, implementing mentoring programs, and developing opportunities for community service. Because employers are an essential partner in the successful integration of both adult and juvenile offenders, the Department, as part of its technical assistance, will continue to reach out and educate employers on the benefits of hiring ex-offenders and available Federal incentives, such as the Federal Bonding program and the Work Opportunity Tax Credit. The Department also anticipates providing a web-based MIS for the youth-serving grantees by PY 2016, which will greatly improve the accuracy of real-time data sharing and better support TA efforts. The Department will continue to monitor performance outcomes, holding grantees accountable for program success and innovation.

REINTEGRATION OF EX-OFFENDERS

FY 2015

The FY 2015, funding for the RExO program is \$82,078,000 for the period July 1, 2015, through June 30, 2016 (PY 2015). This funding level will support approximately 10,000 adult and juvenile offender participants. In this first year of WIOA implementation, \$30,000,000 will be used to fund adult program designs that reflect findings of the current random assignment evaluation of ETA's adult ex-offender grants.

In designing services for adult offenders, we also will use a white paper on integrating reentry and employment strategies prepared by the Council of State Government's Justice Center, in collaboration with the Center for Employment Opportunities, the Departments of Labor and Justice, and the Annie E. Casey Foundation. The white paper introduced the Resource Allocation and Service-Matching Tool, which is based on two key dimensions—an individual's risk of reoffending (criminogenic risk) and job readiness. There are four groupings that result from assessing individuals under correctional control along these dimensions. Each group can be assigned a combination of employment program components and service delivery strategies that are tailored to individuals' risk for criminal activity and complemented by corrections interventions. The white paper can be found at: http://csgjusticecenter.org/wp-content/uploads/2013/09/Final.Reentry-and-Employment.pp_.pdf.

In addition, \$50,000,000 will be used to fund various promising and evidence-based models for youth offenders and to support program and evaluation costs for rigorous random assignment evaluations based on the findings from the current feasibility assessment and evaluation design study. Of this amount, \$20,000,000 will continue to support competitive grants to national and regional intermediaries for activities that prepare young ex-offenders and school dropouts for employment, with a priority for projects serving high-crime, high-poverty areas. ETA also will continue its collaboration with the Department of Defense in managing the National Guard's Youth ChalleNGe program a demonstration started with FY 2014 funds to serve non-violent adjudicated youth. The National Guard has successfully run an intensive youth residential program on military installations since 1980, which serves at-risk youth. A rigorous evaluation of the model demonstrated significant positive outcomes, including a higher likelihood for those in the program to have obtained a GED, a higher likelihood of being employed after the program, and earnings of about 20 percent more than their counterparts.¹ The Department is also piloting the LEAP program, \$5,000,000 in grant funds authorized by Section 171 of the Workforce Investment Act (WIA) and Section 212 of the Second Chance Act of 2007 for Linking to Employment Activities Pre-release (AJC) grants. These grant funds will support the development and implementation of the American Job Center satellite locations or services within local county correctional facilities linked directly to the community-based AJC, enabling inmates to prepare for employment prior to release, and to continue with services in the community once released.

¹ Millenky, M., Bloom, D., Muller-Ravett, S. and Broadus, J. June 2011. "Staying On Course: Three Year Results of the National Guard Youth ChalleNGe Evaluation," New York, NY: MDRC

REINTEGRATION OF EX-OFFENDERS

Technical assistance is a key component of the Reintegration of Ex-Offender portfolio and grantees have access to a wide array of resources, including in-person and electronic training opportunities, peer-to-peer networking conferences, and webinars that share best practices for successfully serving adult and youth offenders. Adult-serving grantees are required to submit quarterly performance, narrative, and financial reports through a web-based Management Information System (MIS) that allows for daily review of real-time performance data. Thus, the Department can deploy technical assistance at the first sign that a grantee is struggling in a certain area. This access to real-time data has been invaluable in supporting grantees' success and the ongoing improvement of performance outcomes.

The Department provides technical assistance to youth ex-offender grantees to help them improve their performance; it has provided technical assistance in specific subject areas such as improving connections to current grantee and employer partnerships, implementing mentoring programs, and developing opportunities for community service. The Department also anticipates providing a web-based MIS for the youth-serving grantees by PY 2015, which will greatly improve the accuracy of real-time data sharing and better support TA efforts. The Department will continue to monitor performance outcomes to ensure that grantees are accountable for program success and innovation.

FY 2014

The FY 2014 (PY 2014) appropriation for RExO was \$80,078,000. The Department used these funds to support a variety of program models for juvenile and adult offenders, which will provide services to approximately 9,150 participants.

In 2014, DOL is using \$50,000,000 to test and replicate innovative and evidence-based strategies to serve youth offenders. Of this amount, \$20,000,000 will be used for competitive grants to national and regional intermediaries to prepare young ex-offenders and school dropouts for employment in high-crime, high-poverty areas. These strategies continue to focus on increasing the attainment of high school diplomas and industry-recognized credentials, reducing recidivism, and improving long-term employment prospects of participants, with the potential for program evaluation to further assess the impacts of these models. In particular, the Department collaborated with the Department of Defense on designing a pilot to serve non-violent adjudicated youth in the National Guard's Youth ChalleNGe program.

Also in 2014, DOL used \$27,300,000 for Training to Work grants to provide occupational training, case management, and mentoring to adult offenders in work-release programs, and \$5 million to establish American Job Center satellites in selected local jails. The remaining \$5 million was used for technical assistance, evaluations, MIS systems, review panelists, and support for the Federal Bonding Program.

REINTEGRATION OF EX-OFFENDERS

DETAILED WORKLOAD AND PERFORMANCE							
		2013		2014		2015	2016
		Target	Result	Target	Result	Target	Target ¹
Reintegration of Ex-Offenders							
Strategic Goal 1 - Prepare workers for better jobs							
Strategic Objective 1.2 - Provide marketable skills and knowledge to increase workers' incomes and help them overcome barriers to the middle class through partnerships among business, education, labor, community organizations, and the workforce system							
ETA-WIA Adult RExO	Entered Employment Rate (non-youth) ²	59.30%	57.78%	60.60%	-	61.20%	TBD
ETA-WIA Youth RExO	Placement in Jobs, Post-Secondary Education, or Occupational Training (Out-of-School Youth Ages 18+)	35.20%	36.75%	35.60%	--	35.70%	TBD
ETA-WIA Adult RExO	Employment Retention Rate (non-youth) ³	68.10%	71.65%	68.20%	--	68.20%	TBD
ETA-WIA Adult RExO	Recidivism Rate (non-youth)	22.00%	10.59%	22.00%	--	22.00%	--
ETA-WIA Youth RExO	Recidivism Rate (youth ages 14-17)	16.00%	24%	16.00%	--	16.00%	16.00%
ETA-WIA Youth RExO	Recidivism Rate (youth ages 18 and above)	17.00%	16%	17.00%	--	17.00%	--
ETA-WIA Adult-RExO	Six Month Average Earnings ⁴	\$10,072.00	\$9771.00	\$10,282.00	--	\$10,473.00	TBD

¹ As discussed in the narrative, ETA has been shifting to more complicated, demand-driven, resource-intensive models. With that shift, performance targets are expected to increase. These performance targets will be adjusted after the first quarter results are obtained.

² Beginning in PY 2016, Entered Employment Rate will be calculated based on the 2nd quarter after program exit instead of 1st quarter after program exit.

³ Beginning in PY 2016, Employment Retention Rate will be calculated based on the 4th quarter after program exit instead of the 3rd quarter after program exit.

⁴ Beginning in PY 2016, Employment Retention Rate will be calculated based on the 4th quarter after program exit instead of the 3rd quarter after program exit.

REINTEGRATION OF EX-OFFENDERS

DETAILED WORKLOAD AND PERFORMANCE						
	2013		2014		2015	2016
	Target	Result	Target	Result	Target	Target¹
Participants	8,735	11,296	9,150	--	10,010	11,260
Cost Per Participant	\$8,707.00	\$6,377	\$8,752.00	--	\$8,000.00	\$8,000.00

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

REINTEGRATION OF EX-OFFENDERS

Workload and Performance Narrative

The RExO-Adult program has demonstrated strong performance since its inception in 2005. Meeting the performance targets for RExO-Adult can be attributed to several key factors. The program model is employment-focused, which meets the needs of the majority of participants, who are often required as a mandate of probation or parole to have a job. Employment is also considered one of the factors to reduce recidivism, as described above.

Grantees, therefore, must have strong employer partners in place that will hire ex-offenders. Through the grant application process, applicants are required to show well-defined, established partnerships with ex-offender friendly employers. These employer partners also are strongly encouraged to take advantage of the Work Opportunity Tax Credit and Federal Bonding program to ensure placement opportunities for ex-offenders. In addition, the program model focuses on intensive supportive services, allowing participants to access resources that are necessary to reintegrate into society, such as housing assistance, substance abuse and mental health treatment, legal assistance, access to professional clothing, and even transportation assistance. The grant programs also provide vocational and soft skills training and focus on in-demand occupations, which increase opportunities for career progression and higher wages. Finally, mentoring also is a required program component since the use of mentors has been shown to improve employment performance, assist in on-the-job conflict resolution, and provide stability to ex-offenders that leads to employment retention.

Technical assistance is a key component of the RExO-Adult program, and grantees have access to a wide array of resources, including electronic training opportunities, peer-to-peer networking conferences, and webinars that share best practices for successful serving ex-offenders. Grantees are required to submit quarterly performance, narrative, and financial reports through a Web-based management information system that allows for daily review of real time performance tracking; and technical assistance can be deployed at the first sign that a grantee is struggling in a certain area. This access to real-time data has been invaluable in supporting grant success and improving performance outcomes.

Beginning in PY 2016, the common measures are revised based on WIOA authorization for six key common performance indicators that are consistent across populations served. These six indicators are: 1) placement in employment, education or long-term training in the second quarter after exit; 2) placement in employment, education or long-term training in the fourth quarter after exit; 3) median earnings of those employed in the second quarter after exit; 4) credential attainment; 5) measurable skill gains toward credential attainment/employment; and 6) effectiveness in serving employers. The targets and results for the six new performance indicators have not been included in the budget because of changes WIOA made to the methodology for calculating the performance indicators. To accurately determine targets and results, the Department is required to collect new baseline data in PY 2016. Based on those data, targets will need to be established in subsequent years.

In addition, RExO-Adult programs currently are held to a recidivism performance goal. The Department now tracks credential attainment rates for this target population under the fourth

REINTEGRATION OF EX-OFFENDERS

generation of grants awarded in PY 2011, to ensure that this vulnerable population is provided the necessary tools, including industry-recognized credentials, to obtain employment in career pathways. As pilot and demonstration projects, the Department may continue to use other performance measures significant to the target population, including recidivism rates.

The Department has used three primary performance measures for youthful ex-offender projects: — the recidivism rate of youth ages 17 and below, the recidivism rate of older youth and young adults ages 18 and above; and the rate at which out-of-school youth and young adults ages 18 and above are placed into jobs, post-secondary education, or occupational training. In addition, depending on the project, the Department sets additional performance measures such as improving the literacy and numeracy skills of participants, increasing the rate at which ninth graders are promoted to the tenth grade, and decreasing the rate at which participants drop out of high school. These are all relevant performance measures for youth offender projects given the very low academic achievement of this population. Variations among grantees in the recidivism rates of participants generally reflect the extent to which a project is serving high-risk participants. For example, grantees serving juveniles who have been in correctional facilities have higher recidivism rates than grantees serving primarily juveniles who have been on probation or are in diversion programming. In FY 2016, as pilot and demonstration projects, the Department may continue to use the measures already in use for youthful ex-offender population in addition to the WIOA common performance indicators.

The Department includes in its grant announcements the performance measures that will be used to monitor and report progress toward the grantees' goals. Grantees report to the Department on a quarterly basis and these reports serve as the basis for monitoring their progress. The Department typically conducts periodic conference calls with grantees and hosts annual meetings that focus largely on performance.

In FY 2016, the Department will consider several steps to improve the performance of grantees in meeting their performance goals. For example, the Department makes use of recommendations from the final report of the RExO-Adult random assignment evaluation to better target technical assistance and the sharing of best practices.

For FY 2016, the estimated cost per participant is \$8,000 for both the adult and youth programs. At this cost per participant, the Department expects to serve 11,260 participants in FY 2016.

REINTEGRATION OF EX-OFFENDERS

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		2014	2015	2016	Diff. 2016 / 2015
25.2	Other services from non-Federal sources	0	0	0	0
41.0	Grants, subsidies, and contributions	80,078	82,078	95,078	13,000
	Total	80,078	82,078	95,078	13,000

REINTEGRATION OF EX-OFFENDERS

CHANGES IN FY 2016

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Other services from non-Federal sources \$0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program \$13,000

Direct FTE 0

	Estimate	FTE
Base	\$82,078	0
Program Increase	\$13,000	0
Program Decrease	\$0	0

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	2014	2015	2016	Diff. 2016 / 2015
Activity Appropriation	0	0	100,000	100,000
FTE	0	0	0	0

Introduction

A Registered Apprenticeship (RA) is a post-secondary work-based education and training program registered with the Department of Labor, or with a Department of Labor-recognized State Apprenticeship Agency (SAA), after meeting the specific standards for national or state recognition. This effective and flexible work-based training model combines job-related technical instruction with structured on-the-job learning experiences. Apprentices earn a salary upon registration and receive wages that rise as their skill attainment, and thus productivity, rise throughout the program. Upon successful completion of all phases of on-the-job learning and related instruction components, registered apprentices receive nationally recognized certificates of completion leading to long-term career opportunities. Through successful partnerships with community colleges, some RA programs also afford apprentices the opportunity to earn college credit towards a degree.

A body of evidence supports the President’s proposal to expand Registered Apprenticeship as a key job-driven strategy aimed at maintaining America’s position of preeminence in key industry sectors of the world economy, including manufacturing, transportation, information technology, health care, and the skilled trades. According to the Bureau of Labor Statistics (BLS) employment projections for 2012-2022, occupations that typically incorporate apprenticeships are projected to grow by 22.2 percent.⁵¹ Modern apprenticeships are on the cutting edge of innovation in preparing a skilled workforce for a broader range of today’s industries and the model can be integrated with a broad range of workforce development and educational strategies. Apprentices receive a paycheck from day one that is guaranteed to increase as long as their training, knowledge, skills, and abilities progress. Apprenticeships (which can last from one to six years) also connect education and work simultaneously; apprentices gain industry-recognized credentials, and in many cases college credits, that can lead to an associate or bachelor’s degree. Those credentials in turn lead to a long-term, well-paying career.

Currently, there are approximately 415,000 Registered Apprenticeships in the United States, which represents a relatively small proportion of the labor force compared with other industrialized nations. To put this number in a global context, the United States would need more than six times as many new apprentices to be on the same per capita level as Great Britain.⁵² It would take a sixteen-fold increase for the U.S. to be on par with the number of apprentices in

⁵¹ See Occupational Outlook Handbook (OOH) “Apprenticeship: Earn while you learn” by Elka Torpey Summer 2013 <http://www.bls.gov/ooq/2013/summer/art01.pdf>

⁵² Stephen Steigleder and Louis Soares, “Let’s Get Serious About Our Nation’s Human Capital: A Plan to Reform the U.S. Workforce Training System” (Washington: Center for American Progress, 2012).

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Germany.⁵³ Underutilization of apprenticeship also is evidenced when one considers that by comparison there over 19 million students in 2- and 4-year American colleges and universities.⁵⁴ This underutilization of apprenticeship represents a significant lost opportunity to: 1) efficiently upskill American workers to create a stronger American economy; 2) bolster training to youth to reduce youth unemployment; 3) lower job churn; 4) and create higher job satisfaction.

To date, the Department has made investments (approximately \$1,000,000 annually) in RA under the Women in Apprenticeship and Non-Traditional Occupations grants. Additionally, in FY 2015, the Department has been able to use \$100,000,000 in H-1B fees for an American Apprenticeship Grant proposal. In FY 2016, the Department is requesting \$100,000,000 to fully fund a 21st century American Apprenticeship program that will strengthen the capacity of the national system and states, industry, and training providers to expand apprenticeship.

In 2014, the President announced his goal of doubling the number of registered apprentices in the U.S. over the next five years. The Workforce Innovation and Opportunity Act of 2014 (WIOA) further supports the President's goal by emphasizing engagement with employers across the workforce system to align training with needed skills and match employers with qualified workers. WIOA acknowledges that Registered Apprenticeship is a proven model for meeting employers' workforce needs while allowing workers to earn while they learn new skills and acquire credentials. Thus, WIOA promotes collaboration between Registered Apprenticeship and the Adult, Dislocated Worker and Youth Formula programs in several ways. Under WIOA, representatives of Registered Apprenticeship programs are required members of both State and Local boards. Registered Apprenticeship programs with the Department of Labor or a State Apprenticeship Agency recognized by the Department are included as eligible training providers for the Adult and Dislocated Worker formula programs, and the Registered Apprenticeship completion certificate is recognized as a post-secondary credential. Registered Apprenticeship is recognized as a career pathway to good jobs for Job Corps students, and pre-apprenticeship training is an authorized Youth program activity to help participants meet entrance requirements for Registered Apprenticeship programs. YouthBuild also authorizes pre-apprenticeship training, as well as Registered Apprenticeship.

To support an expanded and robust role for RA in the public workforce system as called for by the President and as envisioned by WIOA, the Department requests a new budget account to provide resources for programmatic activities to transform the national apprenticeship system. Programmatic funding is necessary to support targeted contact with employers to explain the benefits of apprenticeship program and assist in registering such programs, raise the profile of Registered Apprenticeships throughout the workforce system and encourage new innovation and expansion opportunities to women, minorities, and other under-represented populations.

Through the American Apprenticeship program the Department seeks to provide programmatic funds to states and other entities to develop this robust national apprenticeship system. These funds will build a national apprenticeship system by supporting RA at the state and local levels

⁵³ 3 Jennifer Erickson and Michael Ettlinger, eds., "300 Million Engines of Growth: A Middle-Out Plan for Jobs, Business, and a Growing Economy" (Washington: Center for American Progress, 2013)

⁵⁴ 4 National Center for Education Statistics, Projections of Education Statistics through 2021, Table. 20, http://nces.ed.gov/programs/projections/projections2021/tables/table_20.asp.

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through a range of activities, such as state-specific outreach strategies, partnerships, economic development strategies, and expanded access to apprenticeship opportunities for under-represented populations through pre-apprenticeships and career pathways.

Primary activities these programmatic funds will support include:

- Building state capacity to more effectively administer RA programs at the state and local levels and to assist employers and program sponsors in launching or expanding apprenticeship programs through customized technical assistance that ensures apprentices receive high quality training;
- Supporting state efforts to conduct robust statewide promotional and outreach activities to encourage more employers to start programs and more young people to enter training;
- Expanding access to under-represented populations through public-private partnerships;
- Improving integration of RA with the public workforce system, and thereby helping to implement the vision of WIOA ;
- Supporting the expansion of quality and innovative RA programs in non-traditional occupations and industries;
- Creating career pathways that encompass RA and align with other post-secondary educational offerings, including helping apprentices earn college credit through their apprenticeships ;
- Utilizing strategies that leverage apprenticeships to increase career opportunities for job seekers and incumbent workers; and,
- Leveraging public policies that support registered apprenticeship and increase the sustainability of the system.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2011	\$0	0
2012	\$0	0
2013	\$0	0
2014	\$0	0
2015	\$0	0

Funding Mechanism

The Registered Apprenticeship programs as proposed would operate on a program year of July 1 through the following June 30. The Department will carry out RA activities through grants, cooperative agreements, and contracts. The Department will award funds to various organizations, including non-profit national and regional intermediaries, community-based organizations, state and local government agencies, labor organizations, Registered Apprenticeship program sponsors, community colleges, employer-related non-profit organizations, and workforce intermediaries.

The Department is requesting \$100,000,000 in FY 2016 for the period of July 1, 2016 through June 30, 2017 (PY 2016) to support Registered Apprenticeship grants and capacity-building.

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Funding will support innovative, job-driven approaches that result in the expansion of RA programs to train workers with 21st century skills that meet employer and industry workforce needs. In addition to the President's Job-Driven Training Vision, the Workforce Innovation and Opportunity Act of 2014 (WIOA) provides a new opportunity for greater collaboration between RA and the public workforce system. The use of these funds will provide the necessary foundation to foster a strong collaboration at the state and local levels to train workers through the national apprenticeship system.

By establishing a programmatic funding stream, the Department is taking a critical step in advancing the path forward for innovation in apprenticeship and raising the visibility of apprenticeship as a post-secondary education and training pathway. Funds to states will support activities that lead to the expansion of RA at the state level and advance alignment and integration of the RA and public workforce system. Competitive grants to industries will build on the American Apprenticeship Grant initiative (H-1B funds—announced in FY 2015) by supporting the expanded use of apprenticeship models in new and emerging, high-growth industries/sectors. Competitive grants to community-based organizations and workforce intermediaries will expand the ability of these organizations to engage, recruit, and serve under-represented populations, similar to those populations served under WANTO.

- **Apprenticeship State Funds** (approximately \$50,000,000) to both federally administered and DOL-recognized SAAs. The funds to states will increase the system's capacity to register and oversee additional apprenticeship programs while also sustaining partnership development and system alignment between education, workforce and economic development entities and RA. Initiatives to be funded include:
 - Planning activities—strategies to grow apprenticeships in high-growth industries
 - Infrastructure and Capacity—efforts to increase and modernize the capacity and infrastructure at the State and local level, including hiring additional staff to conduct outreach, promotion and oversight activities as well as modernizing IT systems at the State level
 - Outreach and promotional activities—state-specific outreach strategies that increase the awareness of the benefits and value of apprenticeships and help employers and program sponsors start or expand apprenticeship programs
 - Economic development planning and expansion—strategies that generate new or leverage existing employer demand for apprenticeships
 - Expanded access to apprenticeship opportunities—strategies (such as pre-apprenticeships and career pathways) that meet the needs of under-represented populations
 - Partnerships—stronger partnerships with the workforce system, education system, economic development entities, and current/potential program sponsors
 - National System Building—SAAs must agree to fully share data on outcomes and activity to help foster a more cohesive and seamless national apprenticeship system

- **Apprenticeship Industry Grants** (approximately \$25,000,000) to help industry consortia launch multi-employer apprenticeship models that can scale in new and emerging high-growth industries/sectors; coordinate curriculum; align apprenticeships to pathways for

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further learning, credit and career advancement; and scale apprenticeship models that have been proven successful. Grant applicants will need to demonstrate a strong public–private partnership with commitments from employer networks, Workforce Investment Boards, community college partners, labor, community based organizations, and others to ensure these funds lead to sustainable activities. These grants build on the American Apprenticeship Grant initiative (H-1B funds) and could be awarded to employer partnerships to start or significantly expand existing RA programs or alternatively to industry associations and intermediaries that work with a consortium of employers to develop or expand RA programs.

- **Community-Based Organization and Workforce Intermediary Grants** (approximately \$15,000,000) to fund innovative new apprenticeship approaches and partnerships, including, but not limited to, efforts to serve underserved populations, including women, disconnected youth, minorities, Veterans, and people with disabilities. The competitively awarded grants will build off of the success of the Women Apprentices in Non-Traditional Occupations program and expand the ability of these organizations to engage, recruit, and serve under-represented populations.
- **Advisory Committee on Apprenticeship, Technical Assistance to Public-private Partnerships, and Performance** (approximately 10 percent of total funding or approximately \$10,000,000) to support a range of strategies from the promotion of RA opportunities for women, minorities, youth, people with disabilities, and Veterans, to the advancement of a more integrated national apprenticeship system in support of the broader expansion and transformation efforts, and the Secretary’s Advisory Committee on Apprenticeship (ACA). Funds will also be used to provide oversight, track performance, and evaluate the effectiveness of the grants.
 - Promote Innovation and Provide Technical assistance to grantees. The apprenticeship-specific strategies include supporting innovative RA approaches in existing industries (including the development of competency-based apprenticeships), promoting new RA models that utilize a range of intermediaries in non-traditional industries, and assisting employer-driven efforts to expand RA opportunities to underserved populations.
 - National outreach, capacity building, and performance tracking activities. Raising industry and public awareness of the value and benefits of RA through national, regional, and statewide outreach campaigns is central to the broader goals to significantly expand the model. The Department will continue ongoing use of social media, industry champions, and targeted industry outreach events to implement a national education and outreach campaign and national dialogue with business to elevate the public image of RA and to ensure that the value of apprenticeship is understood by a variety of audiences. By comparison, the United Kingdom committed over \$20,000,000 in a national outreach campaign to increase public awareness of the benefits of apprenticeship. This effort is a key component to that country’s rapid expansion of apprenticeships in recent years.
 - Supporting innovative models and pilots. The funds will assist in identifying and supporting innovative RA models and evaluating the effectiveness of these and other efforts. The funds will also support performance improvements in data collection and analysis that will assist in evaluating individual and collective

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program accountability and performance. This effort will provide a strong foundation for more advanced research activities.

- Advisory Committee on Apprenticeship Functions. The Department provides travel, facilitation, content expertise, technical assistance, and logistical support for the committee.

FY 2015

In FY 2015, the Department received no funds for the Apprenticeship program; however, WANTO grants were funded at \$994,000 in FY 2015 and \$100,000,000 in Job Training for Employment in High Growth Industries Grants (H-1B grants) were awarded to apprenticeship projects. The PY 2015 funds support a national network of TA centers, which is a critical part of the foundation that supports the Department's FY 2016 request. Under WIOA, these TA centers will play a substantial role in fostering collaboration between the public workforce system and Registered Apprenticeship. In addition, the Department FY 2016 request builds off the American Apprenticeship Grants, which will:

- Support the expansion of quality and innovative American Apprenticeship programs into high-growth occupation(s) and industry(s), particularly those for which employers are using H-1B visas to hire foreign workers, and the related activities necessary to support such programs;
- Create career pathways that encompass American Apprenticeship and align with other post-secondary educational offerings;
- Use strategies to significantly increase apprenticeship opportunities for job seekers and workers (particularly for women and other underrepresented populations in apprenticeship, including young men and women of color; people with disabilities; low-skilled populations; and veterans, including transitioning service members); and
- Leverage and develop public policies that increase demand for American Apprenticeship and support sustainability.

FY 2014

In FY 2014 (PY 2014), the Department received no funds for the Apprenticeship program; however, the PY 2014 enacted budget appropriated \$994,000 for WANTO Grants. The PY 2014 WANTO funds were combined with the PY 2013 funds in a single Funding Opportunity Announcement (FOA) to set up a national network of TA centers to support women's access to RA and Non-Traditional occupations. To assist the TA centers, the Department developed a resource guide, tools, and other on-line resources to support RA program sponsors, new H-1B Technical Skills Training grantees, CBOs, and other entities interested in developing more effective strategies to serve women or other under-represented populations. Based on the experience of recent WANTO grantees, the resource guide and related tools are critical to support organizations in reaching important goals related to outreach, recruitment, selection, performance, and completion rates for minorities, specifically women, in apprenticeship.

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DETAILED WORKLOAD AND PERFORMANCE				
	2013	2014	2015	2016
	Target	Target	Target	Target
Apprenticeship Training Fund				
Strategic Goal 1 - Prepare workers for better jobs				
Strategic Objective 1.2 - Provide marketable skills and knowledge to increase workers' incomes and help them overcome barriers to the middle class through partnerships among business, education, labor, community organizations, and the workforce system				
ETA-OA-01 New Apprentices	--	--	--	40,000

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Workload Summary Narrative

These grants directly support the President's goals of doubling the number of apprentices over a five year span (FYs 2015 - 2019) by creating capacity and sustainability for initial investments. Significant expansion of RA, as articulated by the President, will not occur without programmatic funding.

Programmatic funds will support innovative, job-driven approaches that result in the expansion of RA programs to train workers with 21st century skills that meet employer and industry workforce needs. The Department anticipates that these yearly investments will result in a minimum of 40,000 new apprentices per year (over the prior year) and assist in sustaining previous efforts and investments.

Industry, community-based organizations and workforce intermediary grantees will provide quarterly progress reports to the Department. The report will include quarterly information on grant activities, performance goals, and milestones. We are specifying that grantees provide performance projections on the metrics listed below. They will also have the flexibility to report on other key metrics that are critical to measuring the success of their specific program design.

Capacity Building & Employer Metrics

- Total number of employers who receive services under this grant;
- Total number of promotional/outreach activities to employers;
- Total number of newly registered programs;
- Total number of existing RA programs to be expanded (e.g., adding occupations); and
- Others described by grantee.

Employment & Training Metrics

- Total number of participants who receive services under this grant (e.g., includes participants served in pre-apprenticeship, apprenticeship, and by other grant activities);
- Total number of new apprentices served;
- Percentage of total participants served who would be identified as a targeted/under-represented population;
- Percent of apprentices served who complete their apprenticeship program (Completion Rate); and
- Others described by grantee.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		2014	2015	2016	Diff. 2016 / 2015
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	0	0	100,000	100,000
	Total	0	0	100,000	100,000

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CHANGES IN FY 2016

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Advisory and assistance services	\$0
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Grants, subsidies, and contributions	0
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Built-Ins Subtotal	\$0
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Net Program	\$100,000
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Direct FTE	0
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	Estimate	FTE
Base	\$0	0
Program Increase	\$100,000	0
Program Decrease	\$0	0

WORKFORCE DATA QUALITY INITIATIVE

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	2014	2015	2016	Diff. 2016 / 2015
Activity Appropriation	6,000	4,000	37,000	33,000
FTE	0	0	0	0

Introduction

This initiative provides competitive grants to support the development and enhancement of longitudinal data systems that integrate education and workforce data. The grants have been provided under the research authority in Section 171 of the Workforce Investment Act of 1998 (Public Law 105-220). These grants will help support the emphasis on accountability and transparency that is a key feature of the recently enacted Workforce Innovation and Opportunity Act (WIOA) and will be funded through WIOA section 169.

Data linkages can help state and local leaders identify effective pathways through education and training services that lead to success in the workforce, and can provide individuals with information that helps them make smart choices about their education and careers. Longitudinal data systems have information on individuals as they progress through the education system and into the workforce. Some states have developed comprehensive systems that link individuals' demographic information, high school transcripts, college transcripts, and quarterly wage data. These data systems can provide valuable information to consumers, practitioners, policymakers, and researchers about the performance of education and workforce development programs. With the passage of WIOA, WDQI grants become even more vital as states move toward more integrated data structures. WIOA expands on the Workforce Investment Act by weaving data collection from both the Department of Labor and the Department of Education (ED) in a manner that is unique for the workforce system. WDQI provides the grant recipients with an excellent opportunity to link their workforce and education data, gaining efficiencies as well as valuable information for decision makers, as states moves toward the ultimate goal of program integration envisioned by WIOA.

The Department collaborates with ED, which has provided state grants since 2005, to assist with longitudinal educational data system development. WDQI grants will help states to incorporate workforce information into their longitudinal data systems, as well as undertake activities to improve the quality and accessibility of performance data reported by training providers. Improving information available from training providers is crucial to helping consumers make informed decisions when choosing among training programs.

In the first two rounds of WDQI, the Department awarded \$12,000,000 in grant funding, at approximately \$1,000,000 per state. This amount, however, was cut in half in the third and fourth rounds of the grant. At a current level of \$4,000,000 for FY 2015, WDQI is operating at a fraction of the \$34,500,000 annual appropriation for the Statewide Longitudinal Data System (SLDS) grants, the WDQI sister program managed by ED. In a time of scarce resources and

WORKFORCE DATA QUALITY INITIATIVE

competing budgetary priorities, it is imperative to make substantial investments in the development and expansion of data systems to provide objective evidence of what services and programs are most successful at preparing individuals to meet the challenges of the Nation's labor market. The proposed investments in WDQI are essential to expand support to all states in developing longitudinal data systems that show individuals' progress through years of education into the workforce.

Providing additional funding to make WDQI grants available to more states will enable grantees to develop or enhance the databases which are used to create public-facing performance reports, also known as scorecards, which are required by WIOA. To make the most efficient use of these funds, the Department will explore strategies that allow multiple states to build and use common systems solutions. These scorecards contain data to help job seekers make informed decisions about training programs that offer skills training the job seekers need to pursue in-demand jobs, and for employers to access workers with the right skills for jobs they want to fill. These scorecards would be publicly searchable by training program of study and would allow anyone, including policy makers, students and researchers, to search labor market information and available training and subsequent outcomes, such as program completion, employment and wage information of participants in these training programs. These data are helpful for policy and lawmakers to make informed decisions as they work towards designing programs which will better equip the Nation's workers with skills matching the needs of employers looking to hire job seekers. Increasing, rather than decreasing or remaining stagnant in WDQI funding levels, specifically demonstrates the Department's system-level commitment to developing comprehensive, longitudinal databases that will support the implementation of WIOA, including the development of scorecards that display integrated program data which are crucial for transparency and effective decision-making.

The Department also will provide technical support (both direct and peer-to-peer support) to the states to ensure the systems are supportable and sustainable. The Department and its technical assistance (TA) contractor also work closely with ED to host ED's Annual Best Practices Conference for SLDS and WDQI grantees. States repeatedly report that in-person sessions and targeted TA are useful and relevant for their grant project needs. With increased funds, the agency would provide additional forums to help meet grantee TA needs and more targeted peer-to-peer assistance, both to increase the likelihood of successful grant outcomes through increased collaboration.

This project addresses the Department's goal of using advanced technology to provide high quality, multi-layered analysis of the services participants are receiving with a longitudinal perspective. Further, the Department will ask states to ensure that the following IT components are considered in the development of the application for funds:

- Infrastructure Costs
- Software Engineering/Programmer Support
- Business Intelligence/Data Analysis/Statistician Services
- Security Services (i.e., if Personally Identifiable Information is collected, costs for securing these items)

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- Quality Assurance / Testing (if applications are actually being modified to support this effort)

With these data sets, it is possible to provide more sound analysis and performance results which in turn provides leaders with better decision-making data. The goal of this project is to “Prepare workers for good jobs and ensure fair compensation.” This goal is made attainable because the WDQI creates a comprehensive platform which allows multiple data elements to track overall performance.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2011	\$12,475	0
2012	\$6,463	0
2013	\$6,126	0
2014	\$6,000	0
2015	\$4,000	0

Funding Mechanism

WIOA programs operate on a Program Year (PY) basis. Therefore funds appropriated in FY 2016 are available from July 1, 2016 through June 30, 2017, or PY 2016. The funds will be awarded to states through a Funding Opportunity Announcement (FOA). States will be selected based on the quality of their applications and how well they meet the criteria set forth in the FOA.

FY 2016

The Department is requesting \$37,000,000 for the period of April 1, 2016, through June 30, 2017 (PY 2016). This is a \$33,000,000 increase over the FY 2015 enacted level of \$4,000,000. Of the total funding, \$30,000,000 will help states build integrated or bridged data systems to facilitate WIOA implementation. These grants also will support building state-based wage data matching infrastructure to enable and/or streamline WIOA performance reporting, including eligible training provider (ETP) performance reporting. To streamline States’ ability to access wage data for WIOA participants who cross state lines for employment, the Budget includes \$1,000,000 to improve the facilitated support for two systems that States use to access wage data housed in another state: the Wage Record Interchange System (WRIS), and the Common Reporting Information System (CRIS). The Department intends to fund a single entity to receive and coordinate responses to state wage data access requests, which should make it easier for States to request wage data and help reduce the burden on UI agencies in responding to data requests. Finally, the request includes \$6,000,000 to help high-achieving states fully realize integrated data systems. These funds will function like traditional WDQI grants, and include strong conditions for eligibility.

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These investments will enable workforce data to be matched with education data, while protecting PII, to ultimately create longitudinal data systems with individual-level information from pre-kindergarten through post-secondary and into the workforce system. The connection of workforce and education data enables the analysis of individuals' receipt of both education and training services to help determine ways to maximize the outcomes of these services and the effectiveness of the programs.

As mentioned above, the Department will use \$6,000,000 to help high-achieving states fully realize integrated data systems. The Department would use these funds to award "super grants" to states that exhibit the best practices from prior rounds and display how WDQI is used for innovative data collection and reporting that contributes to informed decision-making. The grantees in this category would be required to have public-facing scorecards that integrate at least two of the additional programs noted above. Making the outcomes from these expanded data sets available to the public through scorecard enhancement both fulfills the WIOA transparency requirement and directly contributes to the Job-Driven Training Vision to make it easier for individuals to acquire in-demand skills. These planned relationships and linkages would facilitate further data sharing across states and regions. These funds will build off the lessons learned in previously funded rounds of WDQI grants.

FY 2015

The FY 2015 appropriation was \$4,000,000 for WDQI for the period of April 1, 2015 through June 30, 2016 (PY 2015). This funding will be used to expand the initiative to up to four states. It is anticipated that the states will use the grants to accomplish one or more of the following activities, depending on the level of development of each state's longitudinal data system:

- Utilize longitudinal data to provide useful information about program operations and to analyze the performance of education and training programs and support policy decisions;
- Provide user-friendly information to consumers, in the form of scorecards or integrated data platforms, to help them make informed employment, education and training choices;
- Develop or improve longitudinal data systems for workforce data gathered by various agencies within the state linked at the individual-level;
- Enhance state performance results by documenting outcomes through participation in Wage Record Interchange System 2;
- Match individual-level, longitudinal workforce data to available education data;
- Improve the quality and breadth of the data in workforce longitudinal data systems; and
- Minimize or eliminate the need for training provider reporting waivers.

FY 2014

In FY 2014 (PY 2014), \$6,000,000 was appropriated for the WDQI. Funds will be awarded under a Funding Opportunity Announcement to be issued in spring 2015, with awards made in June 2015.

WORKFORCE DATA QUALITY INITIATIVE

It is anticipated that grantees will achieve multiple goals during the three-year grant period, including:

- Developing or improving state workforce longitudinal data systems with individual-level information;
- Enabling workforce data to be matched with education data to create longitudinal data systems;
- Improving the quality and breadth of the data in the workforce data systems;
- Using longitudinal data to provide useful information about program operations;
- Analyzing the performance of education and employment training programs; and
- Providing user-friendly information to consumers, in the form of scorecards or integrated digital platforms, to help them select the training and education programs that best suit their needs.

WORKFORCE DATA QUALITY INITIATIVE

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		2014	2015	2016	Diff. 2016 / 2015
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	6,000	4,000	37,000	33,000
	Total	6,000	4,000	37,000	33,000

WORKFORCE DATA QUALITY INITIATIVE

CHANGES IN FY 2016

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Advisory and assistance services \$0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program \$33,000

Direct FTE 0

	Estimate	FTE
Base	\$4,000	0
Program Increase	\$33,000	0
Program Decrease	\$0	0

YOUTHBUILD

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	2014	2015	2016	Diff. 2016 / 2015
Activity Appropriation	77,534	79,689	84,534	4,845
FTE	0	0	0	0

Introduction

The YouthBuild program aligns with the Department of Labor’s goal of ensuring that youth have an opportunity to develop the skills and knowledge that prepare them to succeed in a knowledge-based economy. YouthBuild specifically targets at-risk, high school dropouts who are particularly vulnerable in the current economy. YouthBuild addresses the challenges faced by unemployed, high school dropouts by providing them with an opportunity to gain both the education and occupational skills that will prepare them for employment with a living wage.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2011	\$79,840	0
2012	\$79,689	0
2013	\$75,535	0
2014	\$77,534	0
2015	\$79,689	0

Funding Mechanism

Workforce Innovation and Opportunity Act (WIOA) programs operate on a program year calendar. FY 2016 YouthBuild funds will be available from April 1, 2016 through June 30, 2017, or PY 2016. The funds appropriated for YouthBuild are authorized by WIOA and are awarded through an annual grant competition. Programs are funded for four months of implementation, two years of program operation, and one year of follow-up support.

FY 2016

In FY 2016, the Department requests \$84,534,000 for the period of April 1, 2016 through June 30, 2017 (PY 2016). This is an increase of \$4,845,000 over the FY 2015 enacted level, which will allow the Department to award 5 additional grants and serve approximately 317 additional youth. Increasing the number of youth who have access to the program is critical given the challenges these young people face in the job market. Of the total funding amount, five percent will go toward the statutory set-aside for technical assistance (TA). The remainder will support approximately 82 grants to serve approximately 5,248 youth with an average cost per participant of \$15,300.

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In 2016, the Department's YouthBuild program will continue to provide education and occupational skills training to program participants by offering them academic and occupational skills training that provides a clear path into a chosen career field. Participants obtain industry-recognized credentials, which support placements in post-secondary education, apprenticeships, and employment. WIOA adds an additional element to the overall purpose of the YouthBuild program, which is an emphasis on ensuring the quality and energy efficiency of community and other non-profit and public facilities, including those that serve homeless and low-income families.

The program will continue its expansion of "Construction Plus," which began with the PY 2012 grant competition, for in-demand occupations outside of construction, including STEM fields such as IT and manufacturing. The Department will also continue to focus its efforts on increasing credential attainment (high school diplomas, high school equivalency exams, and industry-recognized credentials) for YouthBuild participants and on enhancing post-program placement in employment, post-secondary education including community colleges, and Registered Apprenticeships.

WIOA requires work experience and skills training to be "coordinated, to the maximum extent feasible, with pre-apprenticeship and Registered Apprenticeship programs" which supports continued partnership with Registered Apprenticeship programs. YouthBuild programs are considered pre-apprenticeship programs so the program will be able to learn from grantees selected under the American Apprenticeship Initiative awarded in 2015. The program's work promoting Section 3 with the Department of Housing and Urban Development (HUD) team will continue as well. As in PY 2015, the program is bringing graduates of the program together with HUD-funded contractors to: 1) strengthen local apprenticeship opportunities for at-risk young people trained in the construction trades; 2) promote self-sufficiency for residents of public housing; and 3) connect contractors working on HUD-funded projects to DOL Registered Apprenticeship programs. The program will be able to report on the number of YouthBuild participants that are connected to Section 3 projects in 2016.

The Department will continue to support YouthBuild coaching strategies for grantees. Coaches provide individualized support and TA to grantees in key areas, which include performance improvement, strategic planning, construction certification and academic supports. TA also is provided through national learning exchanges, regional peer-to-peer exchanges, webinars, virtual training, and the use of electronic resources available through the YouthBuild Community of Practice. The Community of Practice provides ongoing access to tools and resources to support program implementation and performance outcomes.

The YouthBuild Web-based Case Management System (YouthBuild MIS) provides real-time data to grantees that allows access to data necessary to monitor program outcomes and develop strategies to better serve youth in the program. This system affords the Department the ability to monitor data and trends in performance outcomes, which lead to the development or enhancement of TA activities for grantees such as training, policy guidance, or development of tools and resources to support program performance. Outcome data is collected on individual participants and may be reported on a grantee level or on an aggregate basis for all grantees and

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participants in a funding cycle. In FY 2016, the Department will implement WIOA common performance measures for youth, which include: placement in employment or education, retention in employment or education, median earnings, education credential attainment, measurable skills gain and effectiveness in serving employers.

The Department will continue to support the random assignment evaluation which began in the fall of 2011 and will continue through 2019. In FY 2016, the initial impact evaluation report is expected. The results of this report will further inform and support TA delivery and indicate promising practices in the field. The final impact evaluation report is anticipated in 2019.

FY 2015

In FY 2015, the Department was appropriated \$79,689,000 for the period of April 1, 2015 through June 30, 2016 (PY 2015). Of this, five percent goes toward the statutory set-aside for technical assistance. The remainder will support approximately 77 grants to serve approximately 4,948 youth with an average cost per participant of \$15,300.

The Department's partnership efforts include a continued focus on developing and maintaining solid connections to community colleges and apprenticeship programs with the Office of Apprenticeship. WIOA requires work experience and skills training to be "coordinated, to the maximum extent feasible, with pre-apprenticeship and registered apprenticeship programs" which supports the program's continued partnership with Registered Apprenticeship programs. YouthBuild programs are considered pre-apprenticeship programs so the program will be able to learn from grantees selected under the American Apprenticeship Initiative awarded in 2015.

The Department's work promoting Section 3 with the HUD team will continue. The program continues to bring graduates of DOL's YouthBuild Program together with HUD-funded contractors to: 1) strengthen local apprenticeship opportunities for at-risk young people trained in the construction trades; 2) promote self-sufficiency for residents of public housing; and 3) connect contractors working on HUD-funded projects to DOL Registered Apprenticeship programs. The program is beginning to track apprenticeship information in the YouthBuild MIS to better understand how many YouthBuild graduates continue on to Registered Apprenticeship programs and how many YouthBuild participants worked on Section 3 projects. This data will inform partnership work with HUD going forward.

In 2015, the Department's YouthBuild program will provide education and occupational skills training to program participants by providing them with academic training and occupational skills training that provides a clear path into a chosen career field. Participants obtain industry-recognized credentials, which support placements in post-secondary education, apprenticeships, and employment. YouthBuild will continue its expansion of training in in-demand occupations outside of construction, including STEM fields, which began with the 2012 grant competition. The Department will also continue to focus its efforts on increasing credential attainment (GEDs, high school equivalency exams, high school diplomas, and industry-recognized credentials) for YouthBuild participants and place emphasis on enhancing post-program placement in employment, post-secondary education including community colleges, and registered apprenticeships.

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Five percent of YouthBuild funding is allocated to TA through the YouthBuild Transfer Act of 2006. Comprehensive TA is provided through a contractor that coordinates and supports the Department's efforts to ensure grantees are achieving robust performance outcomes in job placement, academic achievement, and the attainment of industry-recognized credentials. In FY 2015, a new procurement competition will be held to secure a TA provider when the current contract expires. The new contract will include resources to improve the overall implementation and infrastructure of the YouthBuild program through an: 1) online performance management system, 2) in-person and online training to help grantees understand the grant requirements, and 3) hands-on coaching to support individual grantee implementation.

The YouthBuild MIS provides real-time data to grantees, which allows access to data necessary to monitor program outcomes and develop strategies to better serve youth in the program. This system gives ETA the ability to monitor data and trends in performance outcomes, which leads to the development or enhancement of technical assistance activities for grantees such as training, policy guidance or development of tools and resources to support program performance. Outcome data is collected on individual participants and may be reported on a grantee level or an aggregate basis for all grantees and participants in a funding cycle. The availability and use of the case management system has proven to be a valuable tool in managing performance at both the grantee level and within the program office. The YouthBuild MIS also allows for national office data mining and analysis of trends to identify best practices and determine the strength of various program models.

The Department will continue to support YouthBuild coaching strategies for grantees. Coaches provide individualized support and TA to grantees in key areas, which include performance improvement, strategic planning, construction certification and academic supports.

TA is also provided through national learning exchanges, regional peer-to-peer exchanges, webinars, virtual training, and the use of electronic resources available through the YouthBuild Community of Practice. The Community of Practice provides ongoing access to tools and resources to support program implementation and performance outcomes.

Additionally, by FY 2015, there will be sufficient information on the first Construction Plus grantees who implemented additional career pathways beyond construction. Outcomes for these grants will be compared to the overall grant outcomes, and further data analysis and trends will be identified in order to better support these additional career pathways and strengthen the Construction Plus model.

FY 2014

The funding level of \$77,534,000 in FY 2014 (PY 2014) supported the Department in assisting youth that have dropped out of high school to build the skills necessary to acquire long-term career employment. After the statutory five percent set-aside for technical assistance, \$73,654,300 was used to fund grant awards to approximately 71 programs serving approximately 4,800 youth over a two-year period with an average cost per participant of \$15,300.

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A portion of the funds in FY 2014 were used to increase cross-cutting learning opportunities and collaboration with other Federal agencies, which build upon previous studies that both the Department and other agencies have undertaken, with the goal of facilitating rigorous employment and training-related research and evaluation. The Department continued to support the random assignment evaluation which began in the fall of 2011 and will continue through 2019. The study includes: a process analysis that will examine how the YouthBuild programs operate; an impact analysis that will use a random assignment research design to measure what effect YouthBuild has for the young people it serves, focusing on areas like education, employment, and health; and a cost-effectiveness analysis that will compare the financial costs of the YouthBuild program overall to the benefits its services provide.

Each of the 60 sites selected are using random assignment to control and experimental groups to provide baseline data which sheds light on the effectiveness of YouthBuild programs. Data will be aggregated to show trends in outcomes among youth in the program. MDRC was selected to conduct the random evaluation study. MDRC will continue to provide support and technical assistance to grantees participating in the study. By participating in the YouthBuild evaluation, programs are helping to build further knowledge on effective strategies for helping disadvantaged youth. Additional impact reports are planned for 2016 and 2019, but the initial process analysis was received and reviewed by the YouthBuild team. The analysis contains some important baseline information about YouthBuild programs across the country and preliminary findings are showing a strong fidelity to the program model.

In 2014, the team successfully disseminated a joint guidance letter from leadership promoting Section 3 with the Housing and Urban Development (HUD). The program is collaborating to bring graduates of DOL's YouthBuild Program together with HUD-funded contractors to: 1) strengthen local apprenticeship opportunities for at-risk young people trained in the construction trades; 2) promote self-sufficiency for residents of public housing; and 3) connect contractors working on HUD-funded projects to DOL Registered Apprenticeship programs. In January 2015, the program hosted a joint event promoting this exciting partnership for the joint system staff to lift up promising practices and help the field understand how to implement these types of partnerships. For more details, see the fact sheet at: http://portal.hud.gov/hudportal/documents/huddoc?id=HUD-DOL_Factsheet.pdf.

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DETAILED WORKLOAD AND PERFORMANCE						
	2013		2014		2015	2016
	Target	Actual	Target	Result	Target	
YouthBuild						
Strategic Goal 1 - Prepare workers for better jobs						
Strategic Objective 1.2 - Provide marketable skills and knowledge to increase workers' incomes and help them overcome barriers to the middle class through partnerships among business, education, labor, community organizations, and the workforce system						
Percent of participants entering employment or enrolling in post-secondary education, the military or advanced training/occupational skills training in the first quarter after exit (WIA Youth) ⁵⁵	50.00%	51.9%	50.40%	--	50.50%	TBD
Percent of participants who earn a diploma, GED, or certificate by the end of the third quarter after exit (WIA Youth) ⁵⁶	67.20%	67.2%	67.10%	--	67.10%	TBD
Percent of participants who achieve literacy or numeracy gains of one adult basic education level (WIA Youth) ⁵⁷	58.50%	59.5%	57.80%	--	57.60%	TBD
Participants	4,690	7,604	4,814	--	4,948	5,248
Cost Per Participant	\$15,300.00	\$9,933.52	\$15,300.00	--	\$15,300.00	\$15,300.00

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

⁵⁵ Beginning in PY 2016, the measure will be calculated based on youth placement in employment or education in the 2nd quarter after program exit. The target for PY 2016 has not yet been established.

⁵⁶ Beginning in PY 2016, the measure will be calculated based on credentials earned one year from exit and only includes those who are also in a placement one year from exit. The target for PY 2016 has not yet been established.

⁵⁷ Beginning in PY 2016, the measure will be calculated based on the education credentials gained within one year after exist. The target for PY 2016 has not yet been established.

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Workload and Performance Narrative

Beginning in PY 2016, the common measures are revised to include six key common performance indicators that are consistent across populations served. These six indicators are: 1) placement in employment, education or long-term training in the second quarter after exit; 2) placement in employment, education or long-term training in the fourth quarter after exit; 3) median earnings of those employed in the second quarter after exit; 4) credential attainment rate; 5) measurable skill gains toward credential attainment/employment; and 6) effectiveness in serving employers. The targets and results for the six new indicators have not been included in the budget because of changes WIOA made to the methodology for calculating the indicators. To accurately determine targets and results, the Department is required to collect new baseline data in PY 2016. Based on those data, targets will need to be established in subsequent years.

During the transfer of the administration of the YouthBuild program from the U.S. Department of Housing and Urban Development, the Government Accountability Office (GAO) issued a report in 2007 that recommended that the Secretary of Labor “...develop and monitor post-program performance outcome measures for the YouthBuild program, such as the types of employment graduates attained and retained, wage rates, and degrees or certifications received, and share the data with the grantees.” The Department agreed with this recommendation and built a Web-based management information system that collects individual data for all enrolled YouthBuild participants. In addition, the Department also collects and reports quarterly on individual demographics; assessment information such as educational achievement; services; and outcomes, including placement in employment/education, attainment of degree/certificate, retention rates, recidivism rates, and wage rates, among others.

The Department will continue to utilize the coaching model of TA delivery first introduced in PY 2010, as this has proven to be a successful way to not only deliver TA but to identify promising practices that can be shared throughout the YouthBuild community. Coaching augments the Department’s use of electronic tools, such as the YouthBuild Community of Practice, e-learning modules, and webinars, as well as hosting national learning exchanges and regional peer-to-peer events that allow for the sharing of promising practices and peer exchange.

Based on the average cost per participant of \$15,300, the Department projects enrolling 5,248 participants during PY 2016. The \$15,300 cost per participant is based on an average program length of nine months, the payment of stipends to participants, the equipment required for construction, and the number of staff required to create a supportive environment for the youth. The target for participants served differs from the actual number of participants served in PY 2012 as listed in the workload table due to the average time of completion for youth in the program being shorter than anticipated. Participants are anticipated to be served in a YouthBuild program for nine months; however, some youth may complete the program in less time, creating an opportunity to serve additional youth.

The Department monitors the performance of YouthBuild grantees through the submission of Quarterly Performance Reports (QPRs) that capture the data entered into a Case Management and Performance system. In addition to reporting on the long-term common measures, the QPR

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also provides interim measures, including initial job placements, certificates awarded, and placements into post-secondary education or apprenticeship. YouthBuild grantees are also required to submit a quarterly narrative report, which provides a detailed description of activities, promising practices, and challenges occurring during the quarter. The Department uses these reports to target technical assistance in response to challenges the grantees may be experiencing.

The Department regularly monitors grantee performance through Federal Project Officers in regional offices to ensure that grantees are on target to meet performance goals. Such monitoring informs the design and delivery of technical assistance to address grantee needs. As part of program monitoring, the Department looks at the grant performance in comparison to the performance targets and also reviews expenditures on a quarterly basis.

The YouthBuild program has shown continuous improvement in each performance measure within each grant class. In looking at the 2010 grant class, which is the most complete set of data available, having ended their period of performance in late 2013, the placement rate at program completion was 51.9 percent, above the GPRA goal of 50.0 percent. In addition, the 2010 grant class met the performance target of 67.2 percent for the percent of participants that earn an educational credential within one year after exit, and exceeded the performance target for the literacy/numeracy gains measure by one percentage point. Evaluating performance of individual grant classes after the period of performance is completed provides a more accurate indicator of the performance measures, due to the length of time participants may be served by the program and the intensity of program services that are offered.

YOUTHBUILD

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		2014	2015	2016	Diff. 2016 / 2015
41.0	Grants, subsidies, and contributions	77,534	79,689	84,534	4,845
	Total	77,534	79,689	84,534	4,845

YOUTHBUILD

CHANGES IN FY 2016

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Grants, subsidies, and contributions \$0

Built-Ins Subtotal \$0

Net Program \$4,845

Direct FTE 0

	Estimate	FTE
Base	\$79,689	0
Program Increase	\$4,845	0
Program Decrease	\$0	0

WORKFORCE INNOVATION FUND

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	2014	2015	2016	Diff. 2016 / 2015
Activity Appropriation	47,304	0	0	0
FTE	0	0	0	0

Introduction

Under the Workforce Innovation Fund (WIF), the Department of Labor (Department) has made competitive awards to eligible States, local areas, and tribal communities to support transformative workforce development strategies to help the national workforce system deliver services that are cost-effective, demand-driven and impactful. The WIF has provided funding to test innovative strategies and replicate evidence-based practices in the workforce system, emphasizing cross-program collaboration and bold systemic reforms to improve education and employment outcomes for participants.

The Department will use PY 2014 funds to make awards for the final round of WIF grants later in FY 2015. These grants will build on the evidence generated in previous rounds and align with implementation of the Workforce Innovation and Opportunity Act (WIOA), which was signed into law on July 22, 2014.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2011	\$124,750	0
2012	\$49,906	0
2013	\$47,304	0
2014	\$47,304	0
2015	\$0	0

Funding Mechanism

WIF funds are awarded competitively through Solicitations for Grant Applications and operate on a program year. Therefore, funds appropriated in FY 2014 are available from July 1, 2014 through September 30, 2015, or PY 2014. FY 2014 was the last fiscal year for which funds were appropriated.

FY 2016

The Department is not requesting funding in FY 2016 but will continue to provide oversight and technical assistance to grantees that received awards in previous years. In addition, the Department will use PY 2014 funds to make awards for the final round of WIF grants later in FY 2015.

WORKFORCE INNOVATION FUND

The four previous rounds of WIF grants provided the workforce system with an opportunity to test the efficacy of various innovative service design and delivery strategies with the goal of creating long-term improvements in the performance of the public workforce system, outcomes for job seekers and employers, and cost-effectiveness. The WIF invested in projects that align with WIOA and provided a foundation for the legislation, with elements including: integrated case management across funding streams; increased employer engagement and work based learning that leads to in-demand employment opportunities; enhanced supportive services to help individuals persist and succeed in education and training; and integrated, robust data systems that support performance management, performance reporting, and evaluation. With the recent passage of WIOA, the innovations put in place will provide evidence about effective implementation to the broader workforce system.

FY 2015

As part of the enactment of WIOA in July 2014, the WIF was discontinued and no funds were appropriated in FY 2015 (PY 2015). However, FY 2014 funds will be used to award the fourth and final round of WIF grants in 2015.

FY 2014

A total of \$47,304,000 was appropriated for the WIF in FY 2014 (PY 2014). Most of this funding will be used to support the final round of WIF grants. A portion of the funding was used to support the third round of WIF grants. The third round of funding was informed by key lessons learned during the earlier competitions to maintain the effectiveness of grant-making, including:

- Expert reviewer guidance and training to ensure that proposals selected can adequately support rigorous evaluation standards;
- Criteria that reinforce the link between evidence-based practice and proposed strategies, policies, and innovations;
- Increased focus on projects that promote effective interagency partnerships that leverage funding and stimulate private-sector engagement and investment; and
- Outreach strategies to generate ideas and identify barriers to delivering effective services and encourage reform-minded states and localities to apply.

Workload and Performance Narrative

WIF funds previously appropriated will be aligned with implementation of WIOA and the delivery of aligned/integrated, job-driven workforce development and training services through competitive grants to states and peer-to-peer nation-wide technical assistance support. Funds will enable states to plan for deep system alignment that impacts service delivery to job seekers and businesses.

In addition to participating in national evaluation activities, WIF grantees are required to incorporate a strong evaluation component within their projects.

WORKFORCE INNOVATION FUND

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		2014	2015	2016	Diff. 2016 / 2015
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
22.0	Transportation of things	0	0	0	0
24.0	Printing and reproduction	0	0	0	0
41.0	Grants, subsidies, and contributions	47,304	0	0	0
	Total	47,304	0	0	0

WORKFORCE INNOVATION FUND

CHANGES IN FY 2016

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Transportation of things	0
Printing and reproduction	0
Grants, subsidies, and contributions	0

Built-Ins Subtotal **\$0**

Net Program **\$0**

Direct FTE **0**

	Estimate	FTE
Base	\$0	0
Program Increase	\$0	0
Program Decrease	\$0	0

WOMEN in APPRENTICESHIP

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	2014	2015	2016	Diff. 2016 / 2015
Activity Appropriation	994	994	0	-994
FTE	0	0	0	0

Introduction

Over the past few years, Congress has appropriated approximately \$1,000,000 annually for the Women in Apprenticeship and Non-Traditional Occupations Act (WANTO) of 1992 (Pub. L. 102-530). The WANTO Act’s purpose is to provide technical assistance (TA) to employers and labor unions to assist them in placing women into apprenticeable and non-traditional occupations. The WANTO Act defines non-traditional occupations as those in which women comprise 25 percent or less of the workforce. The Department’s Women’s Bureau and Employment and Training Administration (ETA) jointly administer the program. The Administration has proposed for a number of years to eliminate WANTO.

WANTO projects have developed strategies to address women’s participation in Registered Apprenticeship (RA) programs for non-traditional occupations in a broad range of industries, including advanced manufacturing, transportation, and construction. Given the new FY 2016 Apprenticeship Grants proposal, the agency has focused on broader systemic change within the national Registered Apprenticeship system, which will include increasing opportunities for women and minorities. Pending the elimination of the WANTO grant program, the Administration proposes that the goals and objectives of WANTO will continue to be addressed through technical assistance efforts from ETA’s Office of Apprenticeship (OA), in conjunction with the Women’s Bureau, and through guidance to the public workforce system.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2011	\$998	0
2012	\$996	0
2013	\$944	0
2014	\$994	0
2015	\$994	0

Funding Mechanism

WANTO programs operate on a program year calendar. Therefore, funds appropriated for FY 2016 will be available from July 1, 2016 through June 30, 2017. WANTO grants are awarded to community-based organizations, which form partnerships with labor organizations, RA program sponsors, community colleges, and employer-related non-profit organizations.

WOMEN in APPRENTICESHIP

FY 2016

The Department is not requesting funding for WANTO in FY 2016 (PY 2016) for the period of July 1, 2016 through June 30, 2017. Although this program is intended to address a critical need, we believe that these needs can be addressed more efficiently and effectively through the new Apprenticeship Grants program and other Department and Administration efforts aimed at expanding RA. The Apprenticeship Grants will support innovative strategies that will allow employers a more comprehensive approach to recruit, train, and retain world-class talent, including women. The Workforce Innovation and Opportunity Act of 2014 (WIOA) provides a new opportunity for a greater collaboration between RA and the public workforce system. The use of programmatic funds will provide the necessary foundation to foster a strong collaboration by strengthening the national apprenticeship system. These funds would create more opportunities for women by expanding the number of apprenticeships and creating new avenues for apprenticeships outside of traditional sectors.

Additionally, the Department is developing proposed changes to regulations for Equal Employment Opportunity (EEO) in Registered Apprenticeship (29 CFR Part 30). These proposed revisions seek to improve the effectiveness of RA program sponsors' affirmative action efforts. These revisions to the program's regulatory framework should lead to expanded promotion of RA and non-traditional job opportunities for women and other under-represented populations in PY 2016.

Using funds from the Program Administration account, OA will offer training on the new EEO regulations as they are implemented and disseminate best practices. OA will also continue to provide outreach and TA to employers and other RA program sponsors to ensure that EEO guidelines are adhered to for RA programs. Based on lessons learned from previous WANTO grants, OA has developed a national framework to establish consistency and quality across pre-apprenticeship programs that help minorities and women gain greater access to RA opportunities. ETA will ensure that proposed grant initiatives embed promising strategies. In addition, the Department is requesting additional funds for ETA to increase national apprenticeship marketing efforts to expand RA programs to new occupations and reach traditionally underrepresented groups.

FY 2015

While it had been proposed for elimination in FY 2015, Congress funded the WANTO grants at \$994,000 for PY 2015, or the period of July 1, 2015 through June 30, 2016.

The PY 2015 funds will provide additional financial support to the national network of TA centers established in PY 2014. These TA centers work directly with the public workforce system and a broad range of RA program sponsors to assist women, women of color, and women with disabilities to enter, remain, and succeed in RA and non-traditional occupations.

WOMEN in APPRENTICESHIP

The TA provided by these centers includes:

- Developing linkages and connections with pre-apprenticeship programs to prepare women for apprenticeship, including Adult Basic Education, English as a Second Language instruction, and financial literacy.
- Providing orientations for RA program sponsors and workers on creating a successful environment for women in apprenticeship.
- Providing TA on supportive services to improve retention, such as child care, transportation, support groups, and facilitation of networks for women in apprenticeship, on or off the job site.
- Providing liaison services between tradeswomen and the RA program sponsors to facilitate retention of the women placed into apprenticeships as a result of the proposed project, as well as retention of other women who may already be enrolled as apprentices.
- Conducting exit interviews with tradeswomen who complete their RA program or leave their apprenticeship before completion, including women placed in the apprenticeship as a result of the proposed project or other women who may already be enrolled as apprentices. These interviews can inform the development, assessment, and improvement of TA strategies provided either through this project or other similar efforts designed to prepare and support tradeswomen for on-the-job experiences in RA or non-traditional occupations.
- Development of mentorships for women and creating (formal/informal) support groups for women in RA programs.

FY 2014

The FY 2014 (PY 2014) enacted budget appropriated \$994,000 for WANTO Grants. The PY 2014 WANTO funds were combined with the FY 2013 funds in a single Funding Opportunity Announcement (FOA) to set up a national network of TA centers to support women's access to RA and Non-Traditional occupations. To assist the TA centers, the Department developed a resource guide, tools, and other on-line resources to support RA program sponsors, new H-1B Technical Skills Training grantees, CBOs, and other entities interested in developing more effective strategies to serve women or other under-represented populations.

Based on the experience of recent WANTO grantees, the resource guide and related tools are critical to support organizations in reaching important goals related to outreach, recruitment, selection, performance, and completion rates for minorities, specifically women, in apprenticeship. Tools include "how to" examples for organizations, identification of best practices, and steps to replicate these practices. Additionally, the Department has expanded its list of organizations and pre-apprenticeship programs that advocate, serve, and train women and other underrepresented populations.

Lastly, the Department provided updated guidance and training to Federal and State Apprenticeship Agency (SAA) staff on flexibility and options under the existing regulatory framework. The guidance and training will focus on key issues related to the current EEO regulations and procedures, including the identification of proven recruitment, selection, and retention methodologies.

WOMEN in APPRENTICESHIP

DETAILED WORKLOAD AND PERFORMANCE				
	2013	2014	2015	2016
	Result	Target	Target	Target
Women in Apprenticeship				
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				
Participants	--	300	300	--
Number Entered Employment (as measured by placed in Registered Apprenticeship or related employment)	--	150	150	--
Cost per participant	--	\$3,333.00	\$3,333.00	--

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

WOMEN in APPRENTICESHIP

Workload and Performance Narrative

In 2016, the Department continues the proposal to eliminate funding for Women in Apprenticeship. ETA has generally competitively awarded three WANTO grants per annual appropriation to cover a two-year period of performance for the selected grantees. Beginning with the FY 2011 appropriation, ETA used a measure of performance, the Number of Participants Entering Employment as measured by placement into registered apprenticeship or related employment, to track the number of women being trained and placed by the WANTO grantees during the two-year performance cycle.

WOMEN in APPRENTICESHIP

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		2014	2015	2016	Diff. 2016 / 2015
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	994	994	0	-994
	Total	994	994	0	-994

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	2014¹	2015²	2016³	Diff. 2016 / 2015
Activity Appropriation	161,401	127,799	134,125	0
FTE	0	0	0	0

Note: Funded through H-1B fee collection and not annual appropriations.

¹ FY 2014 reflects actual collections of \$165,615,000, less a temporary sequestration reduction of \$11,924,000, plus \$7,710,000 for funds that were sequestered in FY 2013 and became available in FY 2014.

² FY 2015 reflects estimated collections of \$125,000,000, less an estimated temporary sequestration reduction of \$9,125,000, plus \$11,924,000 for funds that were sequestered in FY 2014 and became available in FY 2015.

³ FY 2016 reflects estimated collections of \$125,000,000, plus an estimated \$9,125,000 for funds that will be temporarily sequestered in FY 2015 and will become available in FY 2016.

Introduction

To address the Secretary’s goal of preparing workers for better jobs and ensuring fair compensation, the Job Training for Employment in High Growth Industries Grants are designed to provide training for workers according to need in different sectors of the economy. The funding for this program is provided from H-1B fees, which are authorized under Section 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 (P.L. 105-277, Title IV), as amended by P.L. 108-447 (codified at 20 U.S.C. 2916a). The fees are collected from employers when they file applications seeking to hire temporary foreign workers, as needed in occupations that require highly-specialized knowledge. These authorized fees are available to the Department without appropriations by Congress and are primarily used to provide job training and related activities for workers to help them obtain or upgrade employment in occupations and industries that employ foreign workers with H-1B visas. The Secretary of Labor has discretion to make decisions regarding the types of grants that will be made with these funds.

Data collected by the Department about employers’ applications for visas shows that employers continue to struggle to find workers in the U.S. that have the specialized skills needed for critical occupations in growing sectors including information technology, engineering, education, and health care. Such domestic worker shortages threaten employer competitiveness, as employers lack the critical human capital needed to produce their goods and services. Instead, employers often use H-1B visas to fill high skill job openings.

The Department’s goal is to help American workers develop the high-level skills needed by these employers. The Department’s ongoing dialogue with employers in in-demand sectors such as information technology, communication and broadband technology, advanced manufacturing, and health care and health information technology has confirmed that there are jobs in the United States that are going unfilled. Furthermore, moving workers up along a career pathway allows new entrants into the workforce who are just beginning their technical careers. The Department intends to support training and education models that directly lead to highly-skilled technical jobs.

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2011	\$0	0
2012	\$0	0
2013	\$0	0
2014	\$0	0
2015	\$0	0

Funding Mechanism

These funds will be awarded competitively through one or more Funding Opportunity Announcements (FOA). Eligible applicants for these grants include public/private partnerships of business-related nonprofit organizations, education and training providers, community-based organizations, entities involved in administering the public workforce system, and economic development agencies.

FY 2016

Grants in FY 2016 will be awarded to partnerships of private and public sector entities. These partnerships include entities involved in administering the workforce investment system established under Title I of the Workforce Innovation and Opportunity Act (WIOA); business-related nonprofit organizations such as trade associations; education and training providers, including community colleges and community-based organizations; economic development agencies; and other partners that reflect the character and resources of the local or regional economy.

Because these grants are financed by a user fee paid by employers to hire foreign workers into the United States under the H-1B nonimmigrant visa program as authorized by the American Competitiveness and Workforce Improvement Act of 1998 (ACWIA), the Department must direct investments to industries and occupations for which employers are using H-1B visas to hire foreign workers. In general, these occupations are in Information Technology, Business Services, and Healthcare. In addition, the Department is further constrained in that projects cannot serve youth that are under 16 years of age and currently enrolled in school within a local secondary educational agency (i.e., high school).

To meet the training needs for high-growth industries and economic sectors, the Department will focus on funding projects that: 1) target skills and competencies in demand by industries for which employers are using H-1B visas to hire foreign workers, such as STEM fields; 2) provide education/training for jobs currently available or job openings that are anticipated during the life of the grant; and 3) result in an employer or industry-recognized credential. The Department will also encourage grantees to leverage resources to complement grant activities and sustain them once the grants have expired.

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

The Department will continue to require that employers are directly involved in the implementation of grant activities to ensure that all of the training leads directly to industry-recognized credentials and opportunities for participants to enter high-skill, high-wage jobs. For future grant opportunities, the Department will consult with employers across other major H-1B sectors to better understand the pressing workforce needs that these investments could target.

FY 2015

In FY 2015, the Department will award approximately \$100,000,000 for the American Apprenticeship Initiative. Approximately 25 grants will be awarded to the lead applicant of a public and private partnership. These grants are intended to provide a catalyst in supporting a uniquely American Apprenticeship system that meets our country's particular economic, industry and workforce needs. American Apprenticeships (also referred to as Registered Apprenticeships) are innovative work-based post-secondary earn-and-learn models that meet national standards for registration with the U.S. Department of Labor (or federally recognized State Apprenticeship Agencies). Grants funded by this initiative will support dynamic and sustainable public-private partnerships that:

- Support the expansion of quality and innovative American Apprenticeship programs into high-growth occupations and industries, particularly those for which employers are using H-1B visas to hire foreign workers, and the related activities necessary to support such programs;
- Create career pathways that encompass American Apprenticeship and align with other post-secondary educational offerings;
- Use strategies to significantly increase apprenticeship opportunities for job seekers and workers (particularly for women and other underrepresented populations in apprenticeship, including young men and women of color; people with disabilities; low-skilled populations; and veterans, including transitioning service members); and
- Leverage and develop public policies that increase demand for American Apprenticeship and support sustainability.

The H-1B Ready To Work Partnerships grant program (Ready to Work) utilized approximately \$170,000,000 in revenues from the H-1B visa program to support high-performing partnerships between employers, non-profit organizations and the public workforce system that will help provide long-term unemployed individuals with the range of services, training, and access they need to fill middle- and high-skill jobs. The Department made 23 grant awards to support and scale innovative collaborations between employers, nonprofit organizations and federal job training programs to help connect ready-to-work Americans with ready-to-be-filled jobs. Ready To Work projects are built around a comprehensive, up-front assessment of long-term unemployed individuals' needs and skills, resulting in customized interventions across three tracks: 1) intensive coaching and other short-term, specialized services culminating in direct job placement into middle and high-skilled jobs; 2) short-term interventions leading to employment into middle and high-skilled jobs; and 3) accelerated skills training along a career pathway to middle and high skilled jobs.

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

Additionally, the Department will be making up to \$25,000,000 in funds available for an online skills academy, which will increase cost-effective delivery and leverage technology to offer open online courses of study, helping students earn credentials online through participating accredited institutions while speeding the time to credit and completion. Building off the burgeoning marketplace of free and open-licensed learning resources, including content developed through the Trade Adjustment Assistance Community College and Career Training grant program, the online skills academy will enable workers to obtain more education and training needed to advance their careers.

FY 2014

In FY 2014, the Department made \$107,000,000 in awards to 24 Youth CareerConnect grantees to provide to local partnerships of local education agencies, workforce investment boards, institutions of higher education and employer partners as they redesign the teaching and learning experience for youth to more fully prepare them with the knowledge, skills, and industry-relevant education needed to get on the pathway to a successful career, including postsecondary education or registered apprenticeship. This program is designed to encourage America's school districts, institutions of higher education, the workforce investment system, and their partners to scale up evidence-based high school models that will transform the high school experience for America's youth. Grants provide students with education and training that combines rigorous academic and career-focused curriculum to increase students' employability in in-demand industries and prepare them for employment, post-secondary education, long-term occupational skills training, or registered apprenticeships. Participants are provided work-based learning opportunities, individualized career and academic counseling experiences, and credit toward a post-secondary degree or certificate and an industry-recognized credential, where appropriate.

DOL used a small portion of the H-1B fee funding to provide technical assistance and an independent evaluation of the outcomes and benefits of the projects.

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

DETAILED WORKLOAD AND PERFORMANCE						
	2013		2014		2015	2016
	Target	Result	Target	Result	Target	Target
Job Training for Employment in High Growth Industries						
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						
Six-Months Average Earnings ⁵⁸	N/A	--	--	TBD	--	TBD
Total Enrolled in Training	N/A	26,452	--	TBD	--	TBD
Total Completed Training	N/A	12,225	--	TBD	--	TBD
Total Participants Who Complete Education/Training Activities that Receive a Degree or Other Credential	N/A	10,286	--	TBD	--	TBD
Total Number of Participants Who Complete Education and Training Activities Who Enter Unsubsidized Employment	N/A	2,852	--	TBD	--	TBD
Total Number of Participants Who Retain Unsubsidized Employment	N/A	1,363	--	TBD	--	TBD

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

⁵⁸ Average earnings for PY 2013 are not yet available.

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

Workload and Performance Narrative

These grants focus on the Department's key system outcomes: 1) improved earnings; 2) keeping unemployed workers in the middle class; 3) increasing employment in emerging and/or growth industries; and 4) increasing rates of credential and education attainment. In order to address employers' current workforce needs, the Department will continue to require that grantees work closely with employers to target growth occupations with good wages based on current labor market information. In addition, grantees will be required to be specific about the skills and credentials the training programs will provide to participants.

Data collected quarterly include participant characteristics, progress measures, and performance outcomes. These data are used by the Department and grantees to continuously monitor and improve program performance, and PY 2013 results are reflected above. ETA expects to use a similar approach in subsequent solicitations.

In the long term, the Department assesses grantee performance by requiring grantees to establish performance targets in key outcome categories, and then assessing grantee performance in achieving these targets. In addition, DOL measures performance for these grants based on three interrelated outcomes: entered employment rate, six months average earnings, and employment retention rate. Beginning in PY 2016, the common performance indicators will be revised based on WIOA to: 1) placement in employment, education or long-term training in the second quarter after exit; 2) placement in employment, education or long-term training in the fourth quarter after exit; and 3) median earnings of those employed in the second quarter after exit. In order to accurately determine targets and results, the Department is required to collect new baseline data in PY 2016. Based on those data, targets will be established in subsequent years.

These common performance measures become available towards the end of the life of the grants, and enable DOL to describe in a similar manner the core purposes and results across grantees and the workforce investment system – how many people obtained a job, how many stayed employed, and their average six months' earnings. H-1B funded grants have a focus on providing training and related activities in high growth industry sectors, but are used in different initiatives that may target varying strategies, types of training, and populations, making it difficult to translate potential performance across initiatives. Therefore, other grant specific metrics and outcomes may be identified based on the nature of the grant.

The Department expects that future targets will take into consideration the design and implementation approach of grant programs developed at the discretion of the Secretary and should reflect any program-specific measures that improve the quality of information available on the performance of such programs.

**JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH
INDUSTRIES**

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		2014	2015	2016	Diff. 2016 / 2015
41.0	Grants, subsidies, and contributions	161,401	127,799	134,125	0
	Total	161,401	127,799	134,125	0

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

CHANGES IN FY 2016 (Dollars in Thousands)

Activity Changes		
Built-In		
To Provide For:		
Grants, subsidies, and contributions		\$0
Built-Ins Subtotal		\$0
Net Program		\$0
Direct FTE		0
	Estimate	FTE
Base	\$134,125	0
Program Increase	\$0	0
Program Decrease	\$0	0