

FY 2021

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Training and Employment Services

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TRAINING AND EMPLOYMENT SERVICES

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APPROPRIATION LANGUAGE

For necessary expenses of the Workforce Innovation and Opportunity Act (referred to in this Act as "WIOA") [and the National Apprenticeship Act,] [\$3,611,200,000] \$3,358,304,000, 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, \$2,819,832,000 as follows:

(A) \$854,649,000 for adult employment and training activities, of which \$142,649,000 shall be available for the period July 1, [2020] 2021 through June 30, [2021] 2022, and of which \$712,000,000 shall be available for the period October 1, [2020] 2021 through June 30, [2021] 2022; *Provided, That, of the amounts made available in this subparagraph, the Secretary of Labor shall reserve 1.5 percent for grants for adult employment and training activities for Indians, Native Hawaiians, and Native Alaskans;*

(B) \$913,130,000 for youth activities, which shall be available for the period April 1, [2020] 2021 through June 30, [2021] 2022; and

(C) \$1,052,053,000 for dislocated worker employment and training activities, of which \$192,053,000 shall be available for the period July 1, [2020] 2021 through June 30, [2021] 2022, and of which \$860,000,000 shall be available for the period October 1, [2020] 2021 through June 30, [2021] 2022: *Provided, That the funds available for allotment to outlying areas to carry out subtitle B of title I of the WIOA shall not be subject to the requirements of section 127(b)(1)(B)(ii) of such Act: Provided further, That notwithstanding the requirements of WIOA, outlying areas may submit a single application for a consolidated grant that awards funds that would otherwise be available to such areas to carry out the activities described in subtitle B of title I of the WIOA: Provided further, That such application shall be submitted to the Secretary at such time, in such manner and containing such information as the Secretary may require: Provided further, That outlying areas awarded a consolidated grant described in the preceding provisos may use the funds for any of the programs and activities authorized under such subtitle B of title I of the WIOA subject to such reporting requirements issued by the Secretary: Provided further, That notwithstanding paragraphs (2) and (3) of section 106(b) of the WIOA, the Governor of a State may designate all local workforce development areas in the State in accordance with the considerations specified in section 106(b)(1)(B) of such Act: Provided further, That notwithstanding section 106(b) of the WIOA, the Governor of any State may designate the State as a single State local area for purposes of such Act: Provided further, That, with the prior approval of the Governor, a local workforce development board may transfer up to 100 percent of the funds allocated to the local area for adult employment and training activities to youth activities, and up to 100 percent of the funds allocated for youth activities to adult employment and training activities: Provided further, That section 3(15)(B)(ii) of the WIOA relating to the definition of the term "dislocated worker" shall be applied by striking "within 180 days": Provided further, That notwithstanding section 122(b) of WIOA, the Governor*

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may deem institutions of higher education that are eligible under title IV of the Higher Education Act of 1965 to be eligible to provide training services under the adult and dislocated worker grants under subtitle B of WIOA: Provided further, That notwithstanding section 134(d)(4) of the WIOA, with the approval of the Governor, local areas may use up to 40 percent of funds allotted to the local area in subparagraphs (A) and (C) of this paragraph for incumbent worker training programs if the increase in the percentage of funds used under such section is for the purpose of supporting apprenticeship programs: Provided further, That notwithstanding section 134(d)(4) of the WIOA, with the approval of the Governor, local areas with an unemployment rate of 3 percent or less may use up to 50 percent of funds allocated to the local area in subparagraphs (A) and (C) of this paragraph for incumbent worker training programs: Provided further, That notwithstanding sections 129(b)(1) and 134(a)(2) of the WIOA, the funds reserved for statewide activities under section 128(a) of such Act may be used to carry out the activities described in sections 129(b) and 134(a) of such Act: Provided further, That notwithstanding section 134(a)(2)(A) of the WIOA, funds required to be reserved to carry out rapid response services under section 133(a)(2) of such Act may be used by States to provide other Statewide activities described in sections 129(b) and 134(a) of such Act or to provide additional assistance to local workforce development areas: Provided further, That in addition to waivers granted pursuant to section 189(i) of the WIOA, the Secretary of Labor may waive such administrative and reporting requirements under such Act (except requirements relating to labor standards or nondiscrimination) as the Secretary determines are appropriate to promote efficiency and reduce administrative costs of States and local workforce development areas: Provided further, That section 189(i)(3)(A)(i) of the WIOA shall be applied in fiscal year 2021 by inserting "and" before "nondiscrimination" and striking all that follows "nondiscrimination" through "title": Provided further, That section 189(i)(3)(A)(ii) of the WIOA shall be applied in fiscal year 2021 by striking "of sections 8 through 10" and "(29 U.S.C. 49g through 49i)", and by inserting "the colocation of employment service offices with one-stop centers, the designation of a cooperating State agency, the establishment and maintenance of a national system of public employment service offices" after "veterans,";

(2) for national programs, [\$791,368,000] \$538,472,000 as follows:

(A) [\$270,859,000] \$160,859,000 for the dislocated workers assistance national reserve, of which [\$70,859,000] \$20,859,000 shall be available for the period July 1, [2020] 2021 through September 30, [2021] 2022, and of which [\$200,000,000] \$140,000,000 shall be available for the period October 1, [2020] 2021 through September 30, [2021] 2022: *Provided, That funds made available in this subparagraph shall be available for the pilot program authorized under section 8041 of the SUPPORT for Patients and Communities Act (PL 115-271): Provided further, 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*

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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 and incumbent workers: *Provided further*, That notwithstanding section 168(b) of the WIOA, of the funds provided under this subparagraph, 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: *Provided further*, That of the funds provided under this subparagraph, [\$70,000,000] \$30,000,000 shall be for training and employment assistance under sections 168(b), 169(c) (notwithstanding the 10 percent limitation in such section) and 170 of the WIOA [as follows:

(i) \$30,000,000 shall be] for workers in the Appalachian region, as defined by 40 U.S.C. 14102(a)(1) and workers in the Lower Mississippi, as defined in section 4(2) of the Delta Development Act (Public Law 100-460, 102 Stat. 2246; 7 U.S.C. 2009aa(2));

[(ii) \$40,000,000 shall be for the purpose of developing, offering, or improving educational or career training programs at community colleges, defined as public institutions of higher education, as described in section 101(a) of the Higher Education Act and at which the associate's degree is primarily the highest degree awarded, with other eligible institutions of higher education, as defined in section 101(a) of the Higher Education Act, eligible to participate through consortia, with community colleges as the lead grantee: Provided, That the Secretary shall follow the requirements for the program in House Report 116-62: Provided further, That any grant funds used for apprenticeships shall be used to support only apprenticeship programs registered under the National Apprenticeship Act and as referred to in section 3(7)(B) of the Workforce Innovation and Opportunity Act;]

[(B) \$55,000,000 for Native American programs under section 166 of the WIOA, which shall be available for the period July 1, 2020 through June 30, 2021;]

[(C) \$91,896,000 for migrant and seasonal farmworker programs under section 167 of the WIOA, including \$85,229,000 for formula grants (of which not less than 70 percent shall be for employment and training services), \$6,122,000 for migrant and seasonal housing (of which not less than 70 percent shall be for permanent housing), and \$545,000 for other discretionary purposes, which shall be available for the period April 1, 2020 through June 30, 2021: 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)] (B) [\$94,534,000] \$84,534,000 for YouthBuild activities as described in section 171 of the WIOA, which shall be available for the period April 1, [2020] 2021 through June 30, [2021] 2022;

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[(E)] (C) [\$98,079,000] \$93,079,000 for ex-offender activities, under the authority of section 169 of the WIOA, which shall be available for the period April 1, [2020] 2021 through June 30, [2021] 2022: Provided, That of this amount, \$25,000,000 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

[(F)] \$6,000,000 for the Workforce Data Quality Initiative, under the authority of section 169 of the WIOA, which shall be available for the period July 1, 2020 through June 30, 2021; and]

[(G)] (D) [\$175,000,000] \$200,000,000 to expand opportunities relating to apprenticeship programs [through apprenticeships only registered under the National Apprenticeship Act and as referred to in section 3(7)(B) of the WIOA], to be available to the Secretary 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 July 1, [2020] 2021 through June 30, [2021] 2022.

In addition, contingent upon enactment of authorizing legislation, \$23,000,000 shall be derived by transfer from funds provided under the heading “Social Security Administration—Limitation on Administration Expenses” for the Ticket to Work and Self-Sufficiency Program.

(Department of Labor Appropriations Act, 2020.)

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ANALYSIS OF APPROPRIATION LANGUAGE

In paragraph (1)(A): *Provided, That, of the amounts made available in this subparagraph, the Secretary of Labor shall reserve 1.5 percent for grants for adult employment and training activities for Indians, Native Hawaiians, and Native Alaskans;*

This proviso is intended to better integrate the provision of employment and training activities for Indians, Native Hawaiians and Native Alaskans into the core WIOA system. With the elimination of a standalone Indian and Native American program, it is expected that such services will be provided to Indians and Native Americans through the WIOA Adult Formula program. The proviso requires the Secretary of Labor to reserve 1.5 percent of the amount appropriated for the Adult program for grants to provide adult employment and training activities to Indians, Native Hawaiians and Native Alaskans.

In the provisos after paragraph (1)(C): *Provided further, That notwithstanding the requirements of WIOA, outlying areas may submit a single application for a consolidated grant that awards funds that would otherwise be available to such areas to carry out the activities described in subtitle B of title I of the WIOA: Provided further, That such application shall be submitted to the Secretary at such time, in such manner and containing such information as the Secretary may require: Provided further, That outlying areas awarded a consolidated grant described in the preceding provisos may use the funds for any of the programs and activities authorized under such subtitle B of title I of the WIOA subject to such reporting requirements issued by the Secretary.;*

These provisos would allow outlying areas to submit a single application for a consolidated grant to carry out workforce development activities instead of receiving three separate grants for the Adult, Dislocated Worker and Youth formula programs, respectively, and to use the consolidated grant funds for any of the programs or activities authorized under the formula grants. Given the relatively small amounts these outlying areas receive under each formula grant and the outlying areas' limited administrative capacity to administer the grants, the option to consolidate the grants would promote administrative efficiency and provide important flexibility to these areas in targeting the use of funds.

In the provisos after paragraph (1)(C): *Provided further, That, notwithstanding paragraphs (2) and (3) of section 106(b) of the WIOA, the Governor of a State may designate all*

This proviso would provide for greater flexibility for States in the designation of local workforce development areas to facilitate the more efficient delivery of services and reduce the number of local administrative structures needed to carry out the

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local workforce development areas in the State in accordance with the considerations specified in section 106(b)(1)(B) of such Act:

formula programs in a State. There are currently over 600 local areas throughout the country.

Notwithstanding the current WIOA requirements that the Governor must approve for designation any local area that was designated under the predecessor Workforce Investment Act and continues to meet performance measures and sustain fiscal integrity, this proviso would allow the Governor to redesignate and consolidate local areas in accordance with the considerations provided in WIOA that apply to local areas not grandfathered from WIA. Those considerations are consistency with local labor market areas, consistency with regional economic development areas, and the availability of Federal and non-Federal resources in the area to effectively administer the programs, including the availability of education and training providers.

In the provisos after paragraph (1)(C): Provided further, That, notwithstanding section 106(b) of the WIOA, the Governor of any State may designate the State as a single State local area for purposes of such Act:

This proviso would allow the Governor to designate a State as a single State local area, and therefore administer the formula programs on a statewide basis. Currently, only States that were previously designated as a single State local area under the Job Training Partnership Act, which preceded the enactment of the Workforce Investment Act of 1998, may be designated as a single State local area under WIOA. The flexibility allowed by this proviso would allow States to determine if such a designation would promote more efficient administration of the formula programs and enhance coordination with other complementary programs in the State.

In the provisos after paragraph (1)(C): Provided further, That, with the prior approval of the Governor, a local workforce development board may transfer up to 100 percent of the funds allocated to the local area for adult employment and training activities to youth activities, and up to 100 percent of the funds allocated for youth activities to adult employment and training activities;

This proviso would provide significant additional flexibility to local areas, with the prior approval of the Governor, to transfer funds between the WIOA Adult and Youth formula programs to meet the needs of the local area. Section 133(b)(4) of WIOA already provides for such transfers between the Adult and Dislocated Worker formula programs.

In the provisos after paragraph (1)(C):

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Provided further, That section 3(15)(B)(ii) of the WIOA relating to the definition of the term “dislocated worker” shall be applied by striking “within 180 days”:

This proviso would allow State and local areas to provide services authorized under the Dislocated Worker Formula grants to workers employed at a facility at which the employer has made a general announcement that such facility will be closed without the current law limitation that the closure will occur within 180 days. Workers would benefit from such services in advance of such closures, including periods where the closure will occur more than 180 days after the announcement, allowing more rapid transition to reemployment and potentially avoiding or reducing spells of unemployment.

Provided further, That notwithstanding section 122(b) of WIOA, the Governor may deem institutions of higher education that are eligible under title IV of the Higher Education Act of 1965 to be eligible to provide training services under the adult and dislocated worker grants under subtitle B of WIOA:

This proviso would provide the Governors with the flexibility to deem institutions of higher education that are eligible under title IV of the Higher Education Act to be eligible to provide training services under the adult and dislocated worker formula programs under WIOA without applying the separate eligibility requirements contained in section 122(b) of WIOA. Under current law, the State eligibility criteria and information requirements established under section 122(b) would have to be applied and met by such training providers. Since IHEs eligible under title IV have already met requirements to receive Federal funds through the Department of Education under Pell grants, student loans and other programs authorized under such title, this flexibility could help reduce administrative burdens on such IHEs (as well as on the State and local WIOA programs) while retaining accountability. This flexibility could assist Governors in encouraging participation in WIOA by such IHEs, including community colleges.

*In the provisos after paragraph (1)(C):
Provided further, That notwithstanding section 134(d)(4) of the WIOA, with the approval of the Governor, local areas may use up to 40 percent of funds allotted to the local area under subparagraphs (A) and (C) of this paragraph for*

This proviso would, with the approval of the Governor, increase the limit on the use of adult and dislocated worker formula funds at the local level for incumbent worker programs from 20 percent to 40 percent if the additional percentage of funding is used to support apprenticeship programs. Apprenticeship programs are evidence-based

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incumbent worker training programs if the increase in the percentage of funds used under such section is for the purpose of supporting apprenticeship programs.

In the provisos after paragraph (1)(C): Provided further, That notwithstanding section 134(d)(4) of the WIOA, with the approval of the Governor, local areas with an unemployment rate of 3 percent or less may use up to 50 percent of funds allocated to the local area in subparagraphs (A) and (C) of this paragraph for incumbent worker training programs;

In the provisos after paragraph (1)(C): Provided further, That, notwithstanding sections 129(b)(1) and 134(a)(2) of the WIOA, the funds reserved for statewide activities under section 128(a) of such Act may be used to carry out the activities described in sections 129(b) and 134(a) of such Act;

programs that allow participants to earn and learn and secure pathways to well-paying employment, and this proviso is intended to assist local areas in increasing the funding available to carry out such programs.

This proviso would allow local areas, with the approval of the Governor, to increase the limit on the use of adult and dislocated worker formula funds at the local level for incumbent worker training programs from 20 percent to 50 percent if the unemployment rate in the local area is 3 percent or less. Incumbent worker training programs provide workers with training to upgrade skills necessary to retain employment and avert layoffs. In areas with very low employment, allowing local areas to devote a higher percentage of training resources to incumbent worker training programs provides the flexibility to better tailor programs to meet the employment and training needs in the local area.

This proviso would provide enhanced flexibility to the States by allowing States to use WIOA funds reserved for statewide activities for any of the statewide activities authorized under the Act and not requiring the use of funds for certain activities. The current required activities include providing assistance for the re-designation of local areas and the development of regional plans, disseminating lists of providers, rapid response activities, providing additional assistance to certain areas with high concentrations of eligible youth, conducting evaluations, disseminating information on effective service delivery and on accessibility requirements, operating a fiscal and management accountability system, and conducting monitoring and oversight. While it would be expected that States will use reserve funds to carry out many of these activities, the proviso allows States the flexibility to make that determination. In addition, the proviso would allow those funds to be used for permissible statewide activities, such as implementing innovative programs, and could result in States reserving a smaller percentage for statewide activities and providing more funding to local areas.

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In the provisos after paragraph (1)(C):
Provided further, That, notwithstanding section 134(a)(2)(A) of the WIOA, funds required to be reserved to carry out rapid response services under section 133(a)(2) of such Act may be used by States to provide other Statewide activities described in sections 129(b) and 134(a) of such Act or to provide additional assistance to local workforce development areas:

This proviso would provide States flexibility in the use of funds that WIOA otherwise requires in the first year to be used for rapid response activities. Section 133(a)(2) of WIOA requires that States reserve not more than 25 percent of the funds allotted under the Dislocated Worker formula program to be used for rapid response activities, which provides information on and access to employment and training activities for dislocated workers in the case of a plant closing, mass layoff, or natural disaster. WIOA already allows funds reserved for rapid response that remain unobligated at the end of the first program year to be used for other statewide activities. This proviso would accelerate this flexibility to allow such reserved funds to be used at any time for other statewide activities and to provide additional assistance to local workforce development areas.

In the provisos after paragraph (1)(C):
Provided further, That in addition to waivers granted pursuant to section 189(i) of WIOA, the Secretary of Labor may waive such administrative and reporting requirements under such Act (except requirements relating to labor standards or nondiscrimination) as the Secretary determines are appropriate to promote efficiency and reduce administrative costs of States and local workforce development areas

The proviso would provide flexibility for the Secretary of Labor to waive administrative and reporting requirements under WIOA (except for requirements relating to labor standards or nondiscrimination) that the Secretary determines are appropriate to promote efficiency and reduce administrative costs. Section 189(i) of WIOA already provides broad waiver authority for the Secretary pursuant to a request from a State in accordance with certain procedures. This proviso would provide a tool for the Secretary to issue waivers nationwide of administrative and reporting requirements in order to help reduce burdens on States and local workforce development areas.

In the provisos after paragraph (1)(C):
Provided further, That section 189(i)(3)(A)(i) of the WIOA shall be applied in fiscal year 2021 by inserting “and” before “nondiscrimination” and striking all that follows “nondiscrimination” through “title”:

This proviso would add significant flexibility to the general waiver authority of the Secretary to waive statutory or regulatory requirements for WIOA formula programs pursuant to requests from States. This new flexibility could be used by States to request waivers of additional statutory or regulatory requirements that create undue burdens or that prevent States from implementing alternative approaches to meeting the objectives of the WIOA programs.

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In the provisos after paragraph (1)(C):
Provided further, That section 189(i)(3)(A)(ii) of the WIOA shall be applied in fiscal year 2021 by striking “of sections 8 through 10” and “(29 U.S.C. 49g through 49i)”, and by inserting “the colocation of employment service offices with one-stop centers, the designation of a cooperating State agency, the establishment and maintenance of a national system of public employment service offices” after “veterans,”:

This proviso would add significant flexibility to the general waiver authority of the Secretary to waive statutory or regulatory requirements of the Wagner-Peyser Act pursuant to requests from States. As with the expanded waiver authority of WIOA, this flexibility could be used by States to request waivers of additional statutory or regulatory requirements that create undue burdens or that prevent States from implementing alternative approaches to meeting the objectives of the Wagner-Peyser Act program. Requirements that could not be waived include the co-location of employment service offices with one-stop centers and the designation of a cooperating State agency, which promote efficiency, and the maintenance of a national system of public employment service offices, which maintains the purpose of the Wagner-Peyser Act.

In the provisos in paragraph (2)(A):
Provided, That funds made available in this subparagraph shall be available for the pilot program authorized under section 8041 of the SUPPORT for Patients and Communities Act (PL 115–271);

The SUPPORT for Patients and Communities Act was signed into law on October 24, 2018 and contained provisions to address the opioid crisis and other substance abuse disorders. Section 8041 of that Act established a competitive grant program administered by the Department of Labor to address economic and workforce impacts associated with high rates of substance abuse disorder. Section 8041(g) provided that the program was to be funded from funds appropriated to carry out section 170 of WIOA, the Dislocated Worker National Grants (DWNs). The funding for those DWNs would be appropriated in FY 2021 in paragraph (2)(A) under the “Training and Employment Service” heading and including a reference to the SUPPORT Act section in the appropriations language would be complementary to that section of the SUPPORT Act and clarify that this funding is available to carry out that section.

([G]D) \$200,000,000 to expand opportunities relating to apprenticeship programs [through apprenticeships only registered under the National

This appropriation request builds on funding provided in FY 2016- FY 2020 to expand apprenticeship opportunities. The funding would support the policy articulated in the President’s Executive Order on Expanding Apprenticeships in

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Apprenticeship Act], to be available to the Secretary 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, [2019]2020 through June 30, [2020]2021.

America to provide more affordable pathways to secure, high paying jobs by promoting apprenticeships. The grants would include such activities as expanding industry-recognized apprenticeships and sector-led apprenticeships.

In addition, contingent upon enactment of authorizing legislation, \$23,000,000 shall be derived by transfer from funds provided under the heading “Social Security Administration—Limitation on Administration Expenses” for the Ticket to Work and Self-Sufficiency Program.

This language transfers funds from the Social Security Administration’s Limitation on Administration Expenses account to TES for the Ticket to Work Program. The FY 2021 Budget proposes transferring administrative management of the Ticket to Work Program to the Department of Labor to improve the program’s effectiveness in getting individuals with disabilities back to work. The federal staff will be transferred to ETA’s Program Administration account, and the programmatic funding will be managed through the TES account with these transferred funds.

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AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2019 Enacted		FY 2020 Enacted		FY 2021 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	\$1,730,700	0	\$1,839,200	0	\$1,646,304
<i>Subtotal Appropriation</i>	<i>0</i>	<i>\$1,730,700</i>	<i>0</i>	<i>\$1,839,200</i>	<i>0</i>	<i>\$1,646,304</i>
Offsetting Collections From:						
Fees	0	\$195,899	0	\$194,000	0	\$194,000
Supplemental Pursuant to P.L. 116-20	0	\$50,000	0	\$0	0	\$0
Transfer Pursuant to P.L. 116-20	0	-\$500	0	\$0	0	\$0
<i>Subtotal Appropriation Offsetting Collections</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>
Advance Appropriation	0	\$1,772,000	0	\$1,772,000	0	\$1,712,000
Transfer Pursuant to P.L. 115-245	0	-\$2,100	0	\$0	0	\$0
<i>Subtotal Advance Appropriation</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>
B. Gross Budget Authority	0	\$3,745,999	0	\$3,805,200	0	\$3,552,304
Offsetting Collections From:						
Fees	0	-\$195,899	0	-\$194,000	0	-\$194,000
<i>Subtotal Fees</i>	<i>0</i>	<i>-\$195,899</i>	<i>0</i>	<i>-\$194,000</i>	<i>0</i>	<i>-\$194,000</i>
C. Budget Authority Before Committee	0	\$3,550,100	0	\$3,611,200	0	\$3,358,304
Offsetting Collections From:						
Prior Year Balance	0	\$384,191	0	\$386,744	0	\$366,000
Fees	0	\$195,899	0	\$194,000	0	\$194,000
<i>Subtotal</i>	<i>0</i>	<i>\$580,090</i>	<i>0</i>	<i>\$580,744</i>	<i>0</i>	<i>\$560,000</i>
D. Total Budgetary Resources	0	\$4,130,190	0	\$4,191,944	0	\$3,918,304
Unobligated Balance End-of-Year	0	-\$386,744	0	-\$366,000	0	-\$201,000
Unobligated Balances Expiring	0	-\$21,654	0	\$0	0	\$0
E. Total, Estimated Obligations	0	\$3,721,792	0	\$3,825,944	0	\$3,717,304

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2020 Enacted	FY 2021 Request	Net Change
Budget Authority			
General Funds	\$3,611,200	\$3,358,304	-\$252,896
Total	\$3,611,200	\$3,358,304	-\$252,896

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

Explanation of Change	FY 2021 Change							
	FY 2020 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
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	\$3,611,200	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	0	+\$3,611,200	0	\$0	0	\$0	0	\$0
B. Programs:								
Apprenticeship Grants Increase	0	\$175,000	0	\$0	0	\$25,000	0	\$25,000
Total Increase	0	+\$3,611,200	0	\$0	0	+\$25,000	0	+\$25,000
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Dislocated Worker National Reserve Program Decrease	0	\$270,859	0	\$0	0	-\$110,000	0	-\$110,000
Migrant and Seasonal Farmworkers Elimination	0	\$91,896	0	\$0	0	-\$91,896	0	-\$91,896
Native American Programs Elimination	0	\$55,000	0	\$0	0	-\$55,000	0	-\$55,000
YouthBuild Decrease	0	\$0	0	\$0	0	-\$10,000	0	-\$10,000

TRAINING AND EMPLOYMENT SERVICES

Explanation of Change	FY 2021 Change							
	FY 2020 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Workforce Data Quality Initiative Elimination	0	\$6,000	0	\$0	0	-\$6,000	0	-\$6,000
Reentry Employment Opportunities Decrease	0	\$98,079	0	\$0	0	-\$5,000	0	-\$5,000
Programs Subtotal			0	\$0	0	-\$277,896	0	-\$277,896
Total Decrease	0	\$0	0	\$0	0	-\$277,896	0	-\$277,896
Total Change	0	+\$3,611,200	0	\$0	0	-\$252,896	0	-\$252,896

TRAINING AND EMPLOYMENT SERVICES

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	FY 2019 Enacted		FY 2020 Enacted		FY 2021 ¹ Request		Diff. FY21 Request / FY20 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Adult Employment and Training Activities	0	845,556	0	854,649	0	854,649	0	0
General Funds	0	845,556	0	854,649	0	854,649	0	0
Youth Activities	0	903,416	0	913,130	0	913,130	0	0
General Funds	0	903,416	0	913,130	0	913,130	0	0
Dislocated Workers Employment and Training Activities	0	1,311,219	0	1,322,912	0	1,212,912	0	-110,000
General Funds	0	1,311,219	0	1,322,912	0	1,212,912	0	-110,000
Formula Grants	0	1,040,860	0	1,052,053	0	1,052,053	0	0
General Funds	0	1,040,860	0	1,052,053	0	1,052,053	0	0
National Dislocated Worker Grants	0	270,359	0	270,859	0	160,859	0	-110,000
General Funds	0	270,359	0	270,859	0	160,859	0	-110,000
Indian and Native American Programs	0	54,500	0	55,000	0	0	0	-55,000
General Funds	0	54,500	0	55,000	0	0	0	-55,000
Migrant and Seasonal Farmworkers	0	88,896	0	91,896	0	0	0	-91,896

¹ The amounts do not reflect proposed transfer of \$23 million in discretionary resources from the Social Security Administration to ETA for grants to states for the Ticket to Work program. The amounts also do not reflect mandatory funding of approximately \$91 million to be awarded as performance-based grants for the Ticket to Work program.

TRAINING AND EMPLOYMENT SERVICES

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY

(Dollars in Thousands)

	FY 2019 Enacted		FY 2020 Enacted		FY 2021 ¹ Request		Diff. FY21 Request / FY20 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
General Funds	0	88,896	0	91,896	0	0	0	-91,896
Reentry Employment Opportunities	0	93,079	0	98,079	0	93,079	0	-5,000
General Funds	0	93,079	0	98,079	0	93,079	0	-5,000
Apprenticeship Program	0	160,000	0	175,000	0	200,000	0	25,000
General Funds	0	160,000	0	175,000	0	200,000	0	25,000
Workforce Data Quality Initiative	0	6,000	0	6,000	0	0	0	-6,000
General Funds	0	6,000	0	6,000	0	0	0	-6,000
YouthBuild	0	89,534	0	94,534	0	84,534	0	-10,000
General Funds	0	89,534	0	94,534	0	84,534	0	-10,000
Ticket to Work	0	0	0	0	0	0	0	0
Total	0	3,552,200	0	3,611,200	0	3,358,304	0	-252,896
General Funds	0	3,552,200	0	3,611,200	0	3,358,304	0	-252,896

TRAINING AND EMPLOYMENT SERVICES

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	² FY 2021 Request	Diff. FY21 Request / FY20 Enacted
	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	3,552,200	3,611,200	3,358,304	-252,896
	Total	3,552,200	3,611,200	3,358,304	-252,896

² The amounts do not reflect proposed transfer of \$23 million in discretionary resources from the Social Security Administration to ETA for grants to states for the Ticket to Work program. The amounts also do not reflect mandatory funding of approximately \$91 million to be awarded as performance-based grants for the Ticket to Work program.

TRAINING AND EMPLOYMENT SERVICES

APPROPRIATION HISTORY (Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2011 ...1/	\$2,153,475		\$2,105,478	\$1,569,148	0
2011 Advance for 2012	\$1,772,000		\$1,772,000	\$1,772,000	0
2012 ...2/	\$1,854,947		\$1,538,247	\$1,409,009	0
2012 Advance for 2013	\$1,772,000			\$1,772,000	0
2013 ...3/	\$1,459,812			\$1,265,922	0
2013 Advance for 2014	\$1,772,000			\$1,772,000	0
2014	\$1,615,405			\$1,376,855	0
2014 Advance for 2015	\$1,772,000			\$1,772,000	0
2015	\$1,483,507			\$1,367,706	0
2015 Advance for 2016	\$1,772,000			\$1,772,000	0
2016	\$1,630,431	\$1,231,314	\$2,156,494	\$1,563,425	0
2016 Advance for 2017...4/	\$1,772,000	\$1,772,000	\$1,772,000	\$1,697,000	0
2017	\$1,753,460		\$2,322,520	\$1,566,699	0
2017 Advance for 2018...5/	\$1,759,967			\$1,753,641	0
2018	\$1,180,766	\$1,470,720		\$1,714,200	0
2018 Advance for 2019	\$873,000	\$1,572,000		\$1,719,000	0
2019 ...7/	\$1,523,549			\$1,730,700	0
2019 Advance for 2020	\$1,697,000			\$1,772,000	0
2020 ...8/	\$1,561,549	\$2,205,615		\$1,839,200	0
2020 Advance for 2021	\$1,685,858	\$1,772,000		\$1,772,000	0
2021	\$1,646,304				0

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

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

3/ Reflects a 0.2% across the board rescission pursuant to P.L. 113-6 and the sequestration reduction pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as executed. Does not reflect Hurricane Sandy Disaster Supplemental funds provided pursuant to P.L. 113-2.

4/ Reflects a \$75,000 rescission against the National Dislocated Worker Grants, pursuant to P.L. 115-31.

5/ Reflects a rescission of \$12,500 against the National Dislocated Worker Grants, pursuant to P.L. 115-141.

6/ Reflects a \$53,000 rescission against the National Dislocated Worker Grants, pursuant to P.L. 115-245.

7/ This bill was passed by the Senate. It was passed out of the House Subcommittee but was not reported out of the House Committee or by the full House.

8/ This bill was passed by the House. It was not taken up by the Senate Appropriations Subcommittee or the full Senate Appropriations Committee.

TRAINING AND EMPLOYMENT SERVICES

TES Introduction

The Training and Employment Services (TES) programs assist hard-working Americans in securing jobs, establishing careers, and acquiring skills and credentials through a wide range of activities, including apprenticeships, other work-based learning opportunities, and reemployment services. The Employment and Training Administration (ETA) also provides states and the workforce system with policy direction, guidance, and flexibility that support meeting the needs of industry and workers in their states.

Programmatic activities under the TES account provide a comprehensive, integrated public workforce system while addressing diverse employer needs through formula-funded employment and workforce development programs for adults, youth, and dislocated workers, and national programs, such as YouthBuild and Reentry Employment Opportunities (REO). In addition, the Dislocated Worker National Reserve provides grants to communities that have experienced job losses due to disasters or mass layoffs. TES also provides Apprenticeship funding to increase adoption of this evidence-based learn-and-earn model.

The funding request level for the TES account is \$3.358 billion and includes the following budget activities:

- \$2.819 billion for formula grant programs plus \$161 million for the National Dislocated Worker Reserve:
 - \$855 million for Workforce Innovation and Opportunity Act (WIOA) Adult Employment and Training Activities, including a 1.5 percent set-aside in the adult formula program for assistance to Indians and Native Americans.
 - \$913 million for WIOA Youth Activities.
 - \$1.213 billion for WIOA Dislocated Worker (DW) Employment and Training Activities. This request includes \$1.052 billion for DW formula funds and \$161 million for the National Dislocated Worker Grant (DWG) to continue to meet unanticipated increases in demand for employment and training services throughout the country. A portion of the DWG money is available for demonstration grants and technical assistance to states and localities.
- \$93 million for the REO program that will promote opportunity by preparing justice-involved adults and youth for employment in industries and occupations that offer good wages and opportunities for advancement.
- \$200 million to expand apprenticeship opportunities to educate workers with 21st Century skills that meet industry needs. This funding will support the continued expansion of the Registered Apprenticeship Program as well as the Industry-Recognized Apprenticeship Program (IRAP), which offer a streamlined, less bureaucratic approach to apprenticeship.
- \$85 million for the YouthBuild program, which will support the continued focus on assisting participants to attain credentials (high school diplomas or its equivalent and industry-recognized credentials) and post-program placement in jobs with career advancement

TRAINING AND EMPLOYMENT SERVICES

potential, in post-secondary education including community colleges, and into apprenticeships.

Currently, the Federal Government has more than 40 workforce development programs spread across 15 agencies at a total annual cost of approximately \$18 billion. In its *Delivering Government Solutions in the 21st Century* plan, the Administration proposed Government-wide workforce development program consolidation, streamlining separate programs in order to increase efficiencies and better serve American workers. The Administration looks forward to working with the Congress to achieve this necessary restructuring, and the Budget takes steps in this direction by eliminating programs that are ineffective, unproven, or duplicative.

In addition to the flexibilities requested in the FY 2020 Budget, the Department of Labor (Department) is requesting appropriations language changes to grant automatic WIOA training provider eligibility to institutions of higher education that already qualify as eligible to participate in Federal Student Aid (FSA) programs, such as Pell grants, authorized by Title IV of the Higher Education Opportunity Act.

The Department also is proposing appropriations language changes to address reskilling workers facing automation to allow local areas with low unemployment to use their WIOA DW funds more flexibly to mitigate the impact of automation.

The Department notes that FY 2020 is the last year WIOA has authorization. We are eager and available to work with Congress on any reauthorization efforts.

In 2021, subject to the enactment of authorizing legislation, the Social Security Administration (SSA) will transfer administrative management of the Ticket to Work (Ticket) Program to the Department of Labor's (DOL) Employment and Training Administration (ETA). The federal staff who administer the program will be transferred to ETA's Program Administration account, and programmatic funding will be managed through the TES account. The Ticket program allows SSA to pay service providers to help Social Security Disability Insurance (SSDI) beneficiaries and Supplemental Security Income (SSI) recipients achieve employment outcomes.

In its current form, the Ticket to Work program faces several challenges in attempting to meet its mission. First, the program falls outside of SSA's core mission of administering OASDI, DI, and SSI programs. Second, the program duplicates administrative structures and services where robust State and local workforce systems already exist. Finally, the program is administratively burdensome, making it difficult for beneficiaries, employers, and service providers to effectively interact with the program.

This proposal would move the Ticket to Work Program to ETA, the Federal government's leading workforce development agency. It would empower the American Job Center network to carry out the Ticket to Work Program in concert with other workforce programs. In addition, it would simplify program rules while improving structure and outcomes of the performance-based funding allocation. The reformed program will move toward a more integrated, effective, and

TRAINING AND EMPLOYMENT SERVICES

efficient system for supporting SSDI beneficiaries and SSI recipients in obtaining and sustaining employment.

The ultimate goals of the proposal include:

- Increasing the number of disability beneficiaries who participate in the program, succeed in employment, and achieve economic mobility;
- Improving the experience of individual program participants;
- Reducing program fragmentation and duplication;
- Establishing national uniformity in essential program features while allowing local innovation;
- Restructuring funding mechanisms and performance metrics to align with the Workforce Innovation and Opportunity Act (WIOA);
- Providing financial incentives to states that perform well;
- Leveraging ETA's expertise in promoting innovative workforce development solutions and employment; and
- Better integrating services for disability beneficiaries into the core workforce system.

In FY 2020, the Administration, including DOL's Office of Disability Employment Policy, ETA, and SSA, will consult with stakeholders and conduct analysis to inform the development of a legislative proposal of the reformed program.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	845,556	854,649	854,649	0
FTE	0	0	0	0

Introduction

The Workforce Innovation and Opportunity Act (WIOA) Adult program helps adults with barriers to employment gain new skills and find jobs in in-demand industries and sectors that meet the needs of employers. WIOA requires local areas under this program to provide a priority in the provision of training and certain individualized career services to public assistance recipients, other low-income individuals, and individuals with low skill levels to help them enter or re-enter the workforce and gain a pathway to self-sufficiency. The WIOA Adult program (as do all Department of Labor (Department)-funded job training programs) also provides priority of service for employment and training services to veterans. The Adult program:

- Supports getting Americans back to work by aligning the skills of American workers with industry needs;
- Provides job seekers with job placement, career counseling, skills training, credential attainment, and labor exchange services, including labor market information that make it possible for adults served by the program to quickly return to work;
- Provides customer-centered business services to assist employers in finding and retaining skilled workers for in-demand jobs; and
- Offers seamless service delivery by providing multiple federally-funded workforce-related programs in consolidated American Job Centers (AJC), which maximizes the federal investment in workforce services through non-duplication and economies of scale.

The WIOA Adult program provides an array of career, supportive, and training services to meet the needs of adult job seekers, particularly those with barriers to employment. These services include basic career services, such as job search and placement assistance, and real-time labor market information, as well as individualized case management services ranging from comprehensive skills assessments to career counseling and planning. For adult job seekers needing new or upgraded skills, integrated work-readiness and work-based learning opportunities are available, including, but not limited to: apprenticeship programs, 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, job seekers may receive supportive services, such as transportation, childcare, and needs-related payments necessary to enable them to participate in activities authorized under the program.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

The Department continues to propose the flexibilities to administer WIOA formula programs, including the Adult program, that were included in the FY 2020 President's Budget, and proposes additional flexibilities for FY 2021. The following flexibilities will allow states to better manage the programs and better serve the different state populations:

- A proposal to grant automatic WIOA training provider eligibility to institutions of higher education that already qualify as eligible to participate in Federal Student Aid (FSA) programs, such as Pell grants, authorized by Title IV of the Higher Education Opportunity Act.
- A proposal to raise from 20 percent to 40 percent the cap on local areas providing incumbent worker training if the increase in the percentage is used to support apprenticeship programs. This proposal provides states and local areas with more flexibility to tailor training options to their economies, and provides more flexibility to support apprenticeship models that work in the local area.
- A proposal to raise from 20 percent to 50 percent the cap on local areas providing incumbent worker training if the local area is experiencing an unemployment rate at or below 3 percent. This will allow local areas in a tight labor market to shift strategies to upskilling and reskilling current workers to address longer-term workforce challenges, such as those related to automation.

In Program Year (PY) 2018, the WIOA Adult program served 640,948 participants.³ In PY 2018, the WIOA Adult program served individuals from a number of subpopulations, including:⁴

- Over 480,000 unemployed individuals;
- Over 30,000 eligible veterans;
- Over 46,000 individuals with disabilities; and
- Over 100,000 older individuals.⁵

In PY 2018, 158,269 individuals received training under the Adult program.

³ PY 2018 WIOA National Summary.

⁴ PY 2018 Quarter 4 WIOA State Performance Records.

⁵ Section 3 of WIOA defines "older individual" as an individual age 55 or older.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

Resource and Program Data Adult Training and Employment Services

Data Category	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Enacted	FY 2021 President's Budget
Resource Data:	845,556	845,556	854,649	854,649
Service Grant				
Formula	845,556	845,556	854,649	854,649
Total Resources	845,556	845,556	854,649	854,649
Program Data:				
Total Grants	57	57	57	57
New Starts				
#	57	57	57	57
\$	845,556	845,556	854,649	854,649

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2016	\$815,556	0
2017	\$813,233	0
2018	\$845,556	0
2019	\$845,556	0
2020	\$854,649	0

Funding Mechanism

The Adult program, like other WIOA programs, operates on a program year (PY) basis. Funds appropriated in FY 2021 would be available from July 1, 2021, through June 30, 2022 (PY 2021). The Department allocates funding to states based on a statutory formula as described in section 132(b) of WIOA. The states, in turn, after reserving up to 15 percent of those funds for statewide activities, allocate the remainder to local workforce areas based on a formula distribution as described in section 133(b) of WIOA.

FY 2021

To address the employment and training needs of adults, particularly those adults in priority status who are public assistance recipients, low-income, or low-skilled, as well as Indian and Native American adults, the Department is requesting \$854,649,000 in FY 2021, the same amount as FY 2020. FY 2021 funds will be allotted by formula to states and localities to provide WIOA Adult services, and 1.5 percent of funds will be reserved for services to Indians, Native

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

Hawaiians and Native Alaskans. Based on the most recent cost per participant data for the Adult program (\$1,319 per participant in PY 2018), these funds will serve an estimated 647,952 eligible adults who face barriers to employment. The request maintains the Governor's Reserve of 15 percent, which allows states to provide services, conduct statewide projects, ensure financial and programmatic oversight of the local workforce system, and plan workforce programs.

FY 2020

To address the employment and training needs of adults, particularly those adults in priority status who are public assistance recipients, low-income, or low-skilled, the Department was appropriated \$854,649,000 in FY 2020. FY 2020 funds will be allotted by formula to states and localities to provide WIOA Adult services. Based on the most recent cost per participant data for the Adult program (\$1,319 per participant in PY 2018), these funds will serve an estimated 647,952 eligible adults who face barriers to employment. The appropriation maintains the Governor's Reserve of 15 percent, which allows states to provide services, conduct statewide projects, ensure financial and programmatic oversight of the local workforce system, and plan workforce programs.

FY 2019

To address the employment and training needs of adults, particularly those adults in priority status who are public assistance recipients, low-income, or low-skilled, the Department was appropriated \$845,556,000. Based on the most recent cost per participant data for the Adult program (\$1,319 per participant in PY 2018), these funds will serve an estimated 641,058 eligible adults who face barriers to employment.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

WORKLOAD AND PERFORMANCE SUMMARY								
	PY 2018 Enacted		PY 2019 Enacted		PY 2020 Enacted	PY 2021 Request		
	Target	Result	Target	Result	Target	Target		
Adult Employment and Training Activities								
Strategic Goal 1 - Support the Ability of All Americans to Find Good Jobs								
Strategic Objective ETA 1.1 - Create customer-focused workforce solutions for American workers.								
ETA-WIOA Adult-01	Employment Rate – 2nd Quarter After Exit (WIOA Adult)		[base]	71.3%	[base]	--	71.5%[e]	71.5%[e]
ETA-WIOA Adult-02	Employment Rate – 4th Quarter After Exit (WIOA Adult)		[base]	70.9%	[base]	--	TBD	TBD
ETA-WIOA Adult-03	Median Earnings – 2nd Quarter After Exit (WIOA Adult)		[base]	\$6,170	[base]	--	\$6,374[e]	\$6,369[e]
ETA-WIOA Adult-04	Credential Attainment Rate (WIOA Adult)		[base]	62.3%	[base]	--	TBD	TBD
ETA-WIOA Adult-05	Measurable Skill Gains (WIOA Adult)		[base]	47.9%	[base]	--	49.8%[e]	48.1%[e]

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

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

Workload and Performance Narrative

WIOA authorizes six primary indicators of performance. States report to the Department on: 1) employment in the second quarter after exit; 2) employment 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; and 6) effectiveness in serving employers (measure under development). The results of these measures demonstrate the value of these investments to help address the employment and skill needs of workers, job seekers, and employers. The Department has reported outcomes for the measures based on the 2nd quarter after exit. The data for the other measures will be available in subsequent years.

The Department will continue to monitor grantee performance regularly through Federal Project Officers in the regional offices to ensure grantees are on track 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 who received training;
- Number of people who received career services;
- Number of people with demonstrated skill gains; and
- Amount of funds spent.

Additional data are collected on the types of participant services, individuals who have exited the program, and those with positive outcomes for employment. These outputs help determine whether states are implementing strategies that will help meet their outcome goals. In addition, the Department will continue to conduct research and evaluations in support of continuous program improvement of WIOA formula programs to determine the effectiveness of services for various subpopulations, and improve program efficiency and performance.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
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	845,556	854,649	854,649	0
	Total	845,556	854,649	854,649	0

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

CHANGES IN FY 2021

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
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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	\$0
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Direct FTE	0
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	Estimate	FTE
Base	\$854,649	0
Program Increase	\$0	0
Program Decrease	\$0	0

YOUTH ACTIVITIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	903,416	913,130	913,130	0
FTE	0	0	0	0

Introduction

The Workforce Innovation and Opportunity Act (WIOA) Youth program helps out-of-school youth and low-income in-school youth with barriers to employment by providing them with services that prepare them for employment and post-secondary education.

Under Title I of 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 aim to develop a strong youth pipeline that provides youth, including disconnected youth, with work readiness skills and industry-driven credential attainment opportunities that equip them with skills and knowledge that prepare them for success in the knowledge-based economy and in-demand industries. The services offered through the Youth program also seek to provide out-of-school youth and low-income in-school youth with job opportunities that lead to high-paying jobs in today’s workforce.

WIOA authorizes services to 14-21 year old low-income in-school youth and 16-24 year old out-of-school youth who have barriers to employment. WIOA requires that not less than 75 percent of funds be used to serve out-of-school youth, which focuses 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. Service providers also assist youth by providing a variety of other services, such as tutoring; alternative secondary school services; summer and year-round work experiences, including pre-apprenticeship programs and on-the-job training opportunities; and occupational training, among others.

As discussed in the above appropriations language, the Department continues to propose the flexibilities in administering WIOA formula programs included in the FY 2020 President’s Budget and proposes additional flexibilities for FY 2021. These flexibilities would allow states to better manage the programs and better serve the different state populations.

In Program Year (PY) 2018, the WIOA Youth program served 154,128 participants.⁶ In PY 2018, the WIOA Youth program served individuals from a number of subpopulations, including:

- Over 130,00 low income individuals;
- Over 93,000 individuals who were English Language Learners, had low levels of literacy, or had cultural barriers;

⁶ PY 2018 WIOA National Summary.

YOUTH ACTIVITIES

- Over 26,000 individuals with disabilities; and
- Over 16,000 ex-offenders.

Resource and Program Data Youth Activities Training and Employment Services

Data Category	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Enacted	FY 2021 President's Budget
<u>Resource Data:</u>	903,416	903,416	913,130	913,130
Service Grant				
Formula	902,287	903,416	913,130	913,130
Competitive				
Research Evaluation	1,129			
Total Resources	903,416	903,416	913,130	913,130
<u>Program Data:</u>				
Total Grants	190	190	190	190
New Starts				
#	190	190	190	190
\$	902,287	903,416	913,130	913,130
Contracts				
#	1			
\$	1,129			

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2016	\$873,416	0
2017	\$873,416	0
2018	\$903,416	0
2019	\$903,416	0
2020	\$913,130	0

Funding Mechanism

WIOA Youth programs operate on a program year basis. Funds appropriated in FY 2021 would be available from April 1, 2021 through June 30, 2022 (PY 2021). Under section 127(b) of WIOA, formula funds are provided to states for the operation of WIOA Youth programs based on a statutory formula. After states reserve up to 15 percent for statewide activities, the

YOUTH ACTIVITIES

remainder is allocated to local areas based on a formula distribution as described in section 128(b) of WIOA.

FY 2021

The Department is requesting \$913,130,000 for FY 2021, the same amount as the FY 2020 enacted level. PY 2021 funds will be allotted by formula to states and localities to provide WIOA youth services. Based on the most recent cost per participant data of \$5,861 (from PY 2018), these funds will serve an estimated 155,797 eligible in-school and out-of-school youth who face barriers to employment. The proposed budget maintains the current 15 percent Governor's Reserve.

FY 2020

The Department was appropriated \$913,130,000 for the period of April 1, 2020, through June 30, 2021 (end of PY 2020). PY 2020 funds will be allotted by formula to states and localities to provide WIOA youth services. Based on the most recent cost per participant data (from PY 2018), these funds will serve an estimated 155,797 eligible in-school and out-of-school youth who face barriers to employment.

FY 2019

The Department was appropriated \$903,416,000 for the period of April 1, 2019, through June 30, 2020 (end of PY 2019). Based on the most recent cost per participant data (from PY 2018), these funds will serve an estimated 154,140 eligible in-school and out-of-school youth who face barriers to employment.

The FY 2019 appropriation continued to provide Performance Partnership Pilot authority that enables states, localities, and tribal 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 through performance agreements where specific, measurable performance outputs and outcome levels are negotiated.

YOUTH ACTIVITIES

WORKLOAD AND PERFORMANCE SUMMARY							
		PY 2018 Enacted		PY 2019 Enacted		PY 2020 Enacted	PY 2021 Request
		Target	Result	Target	Result	Target	Target
Youth Activities							
Strategic Goal 1 - Support the Ability of All Americans to Find Good Jobs							
Strategic Objective ETA 1.1 - Create customer-focused workforce solutions for American workers.							
ETA-WIOA Youth-01	Education and Employment Rate – 2nd Quarter After Exit (WIOA Youth)	[base]	73.1%	[base]	--	73.5%[e]	73.4%[e]
ETA-WIOA Youth-02	Education and Employment Rate – 4th Quarter After Exit (WIOA Youth)	[base]	72.6%	[base]	--	TBD	TBD
ETA-WIOA Youth-03	Median Earnings – 2nd Quarter After Exit (WIOA Youth)	[base]	\$3,326	[base]	--	\$3,410[e]	\$3,402[e]
ETA-WIOA Youth-04	Credential Attainment (WIOA Youth)	[base]	62.2%	[base]	--	TBD	TBD
ETA-WIOA Youth-05	Measurable Skill Gains (WIOA Youth)	[base]	47.0%	[base]	--	47.2%[e]	47.0%[e]

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

YOUTH ACTIVITIES

Workload and Performance Narrative

WIOA authorizes six primary indicators of performance. States report to the Department on: 1) employment in the second quarter after exit; 2) employment 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; and 6) effectiveness in serving employers (measure under development). The results of these measures demonstrate the value of these investments to help address the employment and skill needs of workers, job seekers, and employers. The Department has reported outcomes for the measures based on the 2nd quarter after exit. The data for the other measures will be available in subsequent years.

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.

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

- Number of people served by the program;
- Number of people who received training;
- Number of people who received career services;
- Number of people in training who received a credential;
- Number of people with demonstrated skill gains; and
- Amount of funds spent.

Additional data are collected on the types of participant services, individuals who have exited the program, and those with positive outcomes for employment. These outputs help determine whether states are implementing strategies that will help meet their outcome goals. In addition, the Department will continue to conduct research and evaluations in support of continuous program improvement of WIOA formula programs to determine the effectiveness of services for various subpopulations and improve program efficiency and performance.

YOUTH ACTIVITIES

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	903,416	913,130	913,130	0
	Total	903,416	913,130	913,130	0

YOUTH ACTIVITIES

CHANGES IN FY 2021

(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 \$0

Direct FTE 0

	Estimate	FTE
Base	\$913,130	0
Program Increase	\$0	0
Program Decrease	\$0	0

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	1,311,219	1,322,912	1,212,912	-110,000
FTE	0	0	0	0

Introduction

The Workforce Innovation and Opportunity Act (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 in-demand jobs in sectors that are projected to grow. The DW program also provides employment and workforce development services to transitioning military service members, as well as military spouses having difficulty finding employment.

The DW program supports employers and industry to recruit and hire workers they need to compete in the global economy, and hard-working Americans to secure jobs and careers, and acquire skills and credentials, including through apprenticeships and other work-readiness and work-based learning opportunities. Specifically, the DW program:

- Supports getting Americans back to work by helping align the skills of American workers with the skill needs of industry;
- Offers a variety of workforce development options ranging from traditional classroom settings to work-based opportunities, such as apprenticeships and on-the-job training, for dislocated workers needing new or upgraded skills;
- Provides services that help dislocated workers obtain employment, such as career counseling, training, credential attainment, and job placement; and
- Provides for rapid response services to employers to assist them and their workers during layoffs, plant closings, and downsizings.

Additionally, a portion of DW program funds are maintained in a National Reserve to provide employment services and other assistance to workers laid off due to emergencies and major disasters, mass layoffs of at least 50 workers, or circumstances where at least 50 individuals relocate from a disaster area to another area. Specifically, the activities funded in the DW National reserve include:

- Disaster Relief Employment in temporary positions to clean-up damaged and destroyed structures, facilities and lands located within the disaster area and in offshore areas related to the emergency or disaster; and to distribute food, clothing, and other humanitarian assistance for disaster victims;
- Employment and workforce development services for those in Disaster Relief Employment, who are unlikely to return to their prior employment;
- Assistance for workers who are affected by mass layoffs in a community and require assistance beyond what the DW formula programs can provide;

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

- Funds for U.S. outlying areas to operate their employment and workforce development programs for youth, adults, and dislocated workers;
- Funds for demonstration projects to promote strategies to help dislocated workers strengthen reemployment outcomes, target special populations, and promote new models and efficiencies in service delivery through the workforce system; and
- Funds for technical assistance for grantees in the workforce system to serve dislocated workers.

The National Reserve funding also allows the Secretary to reserve funds in order to provide technical assistance and carry out additional activities related to the transition to and implementation of WIOA. This funding supports investments in maintaining WIOA information technologies (IT) through contributions to the building and maintenance of ETA's management information system that states use for WIOA performance reporting, the Workforce Integrated Performance System (WIPS), as well as efforts to modernize aging, disparate program-based Case Management systems for WIOA-authorized programs, in order to comply with WIOA provisions. These funds also provide support for the upkeep and improvement of wage record sharing systems such as the State Wage Interchange System (SWIS), the Common Reporting Information System (CRIS), and other systems that provide critical performance management infrastructure to grant recipients across the nation. Technical Assistance (TA) for grantees is also a core function of these funds, as grantees continue to work to meet WIOA compliance requirements including performance reporting. Site visits, in-person and online trainings for state and local area grant recipients, and coaching all contribute to the ongoing TA provided through this 10 percent set aside.

Additionally, the National Reserve provides resources for pilot programs authorized under section 8041 of the SUPPORT for Patients and Communities Act (PL 115-271). This Act authorizes the Department of Labor (Department) to use up to \$100 million of the National Dislocated Worker Reserve to carry out pilot programs to address the economic and workforce impacts associated with high rates of substance abuse disorders for the fiscal years 2019-2023.

In Program Year (PY) 2018, the WIOA Dislocated Worker program served 414,020 participants.¹ In PY 2018, the WIOA Dislocated Worker program served individuals from a number of subpopulations, including:²

- Over 370,000 unemployed individuals;
- Over 19,000 eligible veterans;
- Over 20,000 individuals with disabilities; and
- Over 13,000 displaced homemakers.

In PY 2018, 68,119 individuals received training under the Dislocated Worker program.

¹ PY 2018 WIOA National Summary.

² PY 2018 Quarter 4 WIOA State Performance Records.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

Resource and Program Data Dislocated Worker Employment and Training Activities Training and Employment Services

Data Category	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Enacted	FY 2021 President's Budget
<u>Resource Data:</u>	1,308,719	1,311,219	1,322,912	1,212,912
Service Grant				
Formula	1,044,014	1,042,120	1,055,358	1,055,085
Competitive	241,960	223,037	213,412	125,655
Research Evaluation	171	1,890		
Demonstration Development	5	22,086	27,071	16,086
Training/Technical Assistance	22,069	22,086	27,071	16,086
Program Support				
Total Resources	1,308,219	1,311,219	1,322,912	1,212,912
<u>Program Data:</u>				
Total Grants	135	135	137	125
New Starts				
#	96	135	137	125
\$	1,184,896	11,301	11,301	11,301
Continuing				
#	39			
\$	112,568			
Contracts				
#	25	25	25	25
\$	9,930	9,930	9,930	9,930
Interagency Agreements				
#	2	2	2	2
\$	825	825	825	825

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> ⁹ (Dollars in Thousands)	<u>FTE</u>
2016	\$1,166,719	0
2017	\$1,225,683	0
2018	\$1,208,719	0
2019	\$1,261,719	0
2020	\$1,322,912	0

Funding Mechanism

The DW program operates on a program year basis. Funds appropriated in FY 2021 would be available from July 1, 2021, through June 30, 2022 (PY 2021). The Department allots funding to states based on a statutory formula as described in section 132(b)(2) of WIOA. The states, in turn, after reserving up to 15 percent of those funds for statewide activities and up to 25 percent of those funds for rapid response services, allocate the remaining funds to local workforce areas based on a formula distribution as described in section 133(b) of WIOA.

Funds appropriated for the DW National Reserve receive an additional three months of availability, through September 30, 2021.

FY 2021

To provide dislocated workers with employment and workforce development services, and disaster-affected communities with the resources they need, the Department is requesting \$1,212,912,000 in FY 2021 for the period of July 1, 2021, through June 30, 2022, (PY 2021) for the DW formula program, and through September 30, 2022, for the DW National Reserve a decrease of \$110,000,000 from FY 2020. Of the amount requested for FY 2021, \$160,859,000 will be available to the National Reserve to provide assistance to workers and communities impacted by mass layoffs and areas affected by disasters, as well as communities that have been impacted by the opioid epidemic as authorized in the SUPPORT for Patients and Communities Act. This funding request includes a \$30,000,000 set-aside in the National Reserve to serve workers in the Appalachian and Lower Mississippi regions.

The remaining \$1,052,053,000 of requested PY 2021 funds will be directed by formula to states to provide WIOA dislocated worker services and rapid response services. Based on the most recent cost per participant data (from PY 2018 WIOA Annual Performance Report), these funds will serve an estimated 398,066 dislocated workers at a cost of \$3,047 per participant.

In addition to the flexibilities requested in the FY 2020 budget, the Department is requesting the following legislative proposals in FY 2021:

⁹ FY 2016 reflects a rescission of \$75,000,000 against the PY 2016 advances. FY 2017 reflects a rescission of \$12,500,000 against the PY 2017 advances and a transfer of \$3,563,000 to the Chief Evaluation Office. FY 2018 reflects a rescission of \$53,000,000 against the PY 2018 advances.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

- A proposal to grant automatic WIOA training provider eligibility to institutions of higher education that already qualify as eligible to participate in Federal Student Aid (FSA) programs, such as Pell grants, authorized by Title IV of the Higher Education Opportunity Act. This proposal is discussed in greater detail in the Adult section of the budget.
- A proposal to raise from 20 percent to 40 percent the cap on local areas providing incumbent worker training if the increase in the percentage is used to support apprenticeship programs. This proposal provides states and local areas with more flexibility to tailor training options to their economies, and provides more flexibility to support apprenticeship models that work in the local area.
- A proposal to raise from 20 percent to 50 percent the cap on local areas providing incumbent worker training if the local area is experiencing an unemployment rate at or below 3 percent. This will allow local areas in a tight labor market to shift strategies to upskilling and reskilling current workers to address longer-term workforce challenges, such as those related to automation.
- A proposal to provide flexibility to local areas in serving dislocated workers by removing the eligibility requirement that an individual is eligible if a plant closure is expected within 180 days. This will allow states and local areas to more quickly respond to major changes in a local area's workforce and will remove unnecessary burdens to helping these potentially affected dislocated workers.

The Employment and Training Administration (ETA) plans to continue delivering technical assistance for WIOA programs in FY 2021 as part of its continued grants management and program management for any major grant program, and as required by Section 168 of WIOA. In addition to the technical assistance provided to the State-level workforce entities, ETA and its partners also provide technical assistance to American Job Center partner programs and competitive grantees, which are required to partner with Workforce Development Boards. Technical assistance activities in FY 2021 will include:

- Training state and local boards, whose members regularly change;
- Integrating intake, case record, and financial management systems and program operations;
- Replicating effective practices;
- Enhancing state and local capacity to conduct and use evaluations and analytics; and
- Performance accountability.

States continue to struggle with antiquated and siloed information technology (IT) systems. The Department anticipates a continuing need to help states implement IT solutions that support cross-program integrated service delivery, addressed through the DOL-funded WIOA IT Support Center. States will also continue to implement performance reporting responsibilities that will require technical assistance.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

ETA will also continue building and maintaining the robust performance tracking systems and infrastructure necessary for performance reporting across WIOA formula and competitive grant programs. The Dislocated Worker Technical Assistance and Training (DWTAT) reserve provides funding for activities such as the data infrastructure that underpins the State Wage Interchange System, which allows sharing of employment information for performance reporting among states for all WIOA core programs. The reserve also supports the extensive WIOA performance reporting system, which allows common performance reporting across all WIOA formula and competitive grantees.

FY 2020

To provide dislocated workers with employment and workforce development services and disaster-affected communities with the resources they need, the Department was appropriated \$1,322,912,000 in FY 2020 for the period of July 1, 2020, through June 30, 2021, (PY 2020) for the DW formula program, and through September 30, 2021, for the DW National Reserve.

Of the appropriated amount, \$270,859,000 will be available to the National Reserve to provide assistance to workers and communities impacted by mass layoffs and areas affected by disasters, as well as communities that have been impacted by the opioid epidemic as authorized in the SUPPORT for Patients and Communities Act. This funding includes a \$30,000,000 set-aside in the National Reserve to serve workers in the Appalachian and Lower Mississippi regions. This funding also includes \$10,000,000 to utilize the demonstration grant authority under the DW National Reserve for grants to support national out-of-school time organizations that serve youth and teens. These organizations place an emphasis on age-appropriate workforce readiness programming to expand job training and workforce pathways for youth and disconnected youth including soft skill development, career exploration, job readiness and certification, summer jobs, year-round job opportunities, and apprenticeships. These funds also include a set aside of \$40,000,000 for the Strengthening Community College Training Grant program. These grants will be awarded to individual community colleges for at least \$1,000,000, unless grants are awarded in consortia to community colleges and other eligible institutions as defined in section 101(a) of the Higher Education Act. In the latter scenario, the grants will not exceed \$5,000,000 per grant.

The remaining \$1,052,053,000 of the appropriated PY 2020 funds will be directed by formula to states to provide WIOA dislocated worker services and rapid response services. Based on the most recent cost per participant data (from PY 2018 WIOA Annual Performance Report), these funds will serve an estimated 434,169 dislocated workers at a cost of \$3,047 per participant.

FY 2019

To provide dislocated workers with employment and training services and disaster-affected communities with the resources they need, the Department was appropriated \$1,261,719,000 in FY 2019 for the period of July 1, 2019, through June 30, 2020 (PY 2019) for the DW program, and through September 30, 2020, for the DW National Reserve activities. Of the appropriated amount, \$220,859,000 was available to the National Reserve to provide assistance to workers and communities impacted by mass layoffs and areas affected by disasters, and for DW

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

demonstration projects in communities impacted by the opioid epidemic. This funding included a \$30,000,000 set-aside from the National Reserve to serve workers in the Appalachian and Lower Mississippi regions. In addition, the Department was appropriated \$50,000,000 for expenses related to Hurricanes Florence and Michael, Typhoon Mangkhut, Super Typhoon Yutu, wildfires and earthquakes that occurred in 2018, and tornadoes and floods that occurred in 2019.

The remaining \$1,040,860,000 was directed by formula to states to provide WIOA dislocated worker services and rapid response services. Based on the most recent cost per participant data (from PY 2018 WIOA state reports), these funds will serve an estimated 446,740 dislocated workers at a cost of \$3,047 per participant.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

WORKLOAD AND PERFORMANCE SUMMARY							
		PY 2018 Enacted		PY 2019 Enacted		PY 2020 Enacted	PY 2021 Request
		Target	Result	Target	Result	Target	Target
Dislocated Workers Employment and Training Activities							
Strategic Goal 1 - Support the Ability of All Americans to Find Good Jobs							
ETA-WIOA DW-01	Employment Rate – 2nd Quarter After Exit (WIOA Dislocated Worker)	[base]	70.9%	[base]	--	70.3%[e]	70.3%[e]
ETA-WIOA DW-02	Employment Rate – 4th Quarter After Exit (WIOA Dislocated Worker)	[base]	71.7%	[base]	--	TBD	TBD
ETA-WIOA DW-03	Median Earnings – 2nd Quarter After Exit (WIOA Dislocated Worker)	[base]	\$7,377	[base]	--	\$7,598[e]	\$7,594[e]
ETA-WIOA DW-04	Credential Attainment Rate (WIOA Dislocated Worker)	[base]	66.6%	[base]	--	TBD	TBD
ETA-WIOA DW-05	Measurable Skill Gains (WIOA Dislocated Worker)	[base]	43.5%	[base]	--	44.8%[e]	43.7%[e]
ETA-WIOA NDWG-01	Employment Rate – 2nd Quarter After Exit (WIOA National Dislocated Worker Grants)	[base]	73.9%	[base]	--	70.3%[e]	70.3%[e]
ETA-WIOA NDWG-02	Employment Rate – 4th Quarter After Exit (WIOA National Dislocated Worker Grants)	[base]	76.6%	[base]	--	TBD	TBD
ETA-WIOA NDWG-03	Median Earnings – 2nd Quarter After Exit (WIOA National Dislocated Worker Grants)	[base]	\$8,216	[base]	--	\$7,598[e]	\$7,594[e]
ETA-WIOA NDWG-04	Credential Attainment Rate (WIOA National Dislocated Worker Grants)	[base]	65.2%	[base]	--	TBD	TBD

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

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

Workload and Performance Narrative

WIOA authorizes six primary indicators of performance. States report to the Department on: 1) employment in the second quarter after exit; 2) employment 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; and 6) effectiveness in serving employers (measure under development). The results of these measures demonstrate the value of these investments to help address the employment and skill needs of workers, job seekers, and employers. The Department has reported outcomes for the measures based on the 2nd quarter after exit. The data for the other measures will be available in subsequent years.

The Department will monitor grantee performance regularly through Federal Project Officers in the regional offices to ensure grantees are on track 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 who received training;
- Number of people who received career services;
- Number of people in training who received a credential;
- Number of people with demonstrated skill gains; and
- Amount of funds spent.

Additional data are collected on the types of participant services, individuals who have exited the program, and those with positive outcomes for employment. These outputs help determine whether states are implementing strategies that will help meet their outcome goals. In addition, the Department will continue to conduct research and evaluations in support of continuous program improvement of WIOA formula programs to determine the effectiveness of services for various subpopulations and improve program efficiency and performance.

The Department is continuing to build evidence on strategies to support entrepreneurship as a reemployment strategy. ETA recently released findings from a recent study to examine the impact of supporting self-employment education and business advisors, along with a \$1000 stipend, to dislocated workers interested in establishing their own businesses.¹⁰

¹⁰ Supporting Self-Employment as a Reemployment Strategy: Impacts of a Pilot Program for Dislocated Workers After 18 Months, Mathematica Policy Research, July 2019; <https://wdr.doleta.gov/research/details.cfm?q=&id=2622>

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
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
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	1,311,219	1,322,912	1,212,912	-110,000
	Total	1,311,219	1,322,912	1,212,912	-110,000

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

CHANGES IN FY 2021

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Advisory and assistance services	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 **-\$110,000**

Direct FTE **0**

	Estimate	FTE
Base	\$1,322,912	0
Program Increase	\$0	0
Program Decrease	-\$110,000	0

INDIAN AND NATIVE AMERICANS PROGRAM

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	54,500	55,000	0	-55,000
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), is designed to help American Indian, Alaska Native, and Native Hawaiian individuals obtain jobs and remain employed through the provision of employment, education, intensive training, and supportive services. The 2021 Budget eliminates the INA program, as it is unproven and duplicative of services provided through the core workforce system. As an alternative, the Budget establishes a 1.5-percent Native Adult set-aside within the WIOA Adult funding stream.

Resource and Program Data Indian and Native Americans Program Training and Employment Services

Data Category	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Enacted	FY 2021 President's Budget
<u>Resource Data:</u>	54,000	54,500	55,000	
Service Grant				
Formula				
Competitive	53,460	53,955	54,450	
Training/Technical Assistance	540	545	550	
Total Resources	54,000	54,500	55,000	
<u>Program Data:</u>				
Total Grants	174	173	173	
New Starts				
#	174	173	173	
\$	53,460	53,955	54,450	
Contracts				
#	2	2	2	
\$	540	545	550	

INDIAN AND NATIVE AMERICANS PROGRAM

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2016	\$50,000	0
2017	\$50,000	0
2018	\$54,000	0
2019	\$54,500	0
2020	\$55,000	0

Funding Mechanism

WIOA programs operate on a Program Year (PY) calendar (July 1 to June 30). A set aside of 1.5 percent of the WIOA Adult appropriation will be used to operate Indian and Native American grants.

FY 2021

The 2021 Budget eliminates the Indian and Native American program. The program is unproven, having never been rigorously evaluated. In the absence of the program, Native Americans will instead access services through the core workforce system programs. To ensure a dedicated source of funding for this population, the Budget establishes a 1.5-percent Native Adult set-aside within the WIOA Adult funding stream. The set-aside will fully integrate the provision of employment and training activities for Indians, Native Hawaiians, and Native Alaskans into the core WIOA system.

FY 2020

The Department was appropriated \$55,000,000 in FY 2020 for the period of April 1, 2020, through June 30, 2021 (PY 2020). At this funding level, the program will serve 14,006 unemployed and under-skilled Indian, Alaska Native, and Native Hawaiian adult participants based on a PY 18 cost per participant of \$3,927.

FY 2019

The Department was appropriated \$54,500,000 in FY 2019 for the period of April 1, 2019, through June 30, 2020 (PY 2019). At this funding level, the program will serve approximately 13,878 unemployed and under-skilled Indian, Alaska Native, and Native Hawaiian adult participants based on a PY 18 cost per participant of \$3,927.

INDIAN AND NATIVE AMERICANS PROGRAM

WORKLOAD AND PERFORMANCE SUMMARY							
		PY 2018 Enacted		PY 2019 Enacted		PY 2020 Enacted	PY 2021 Request
		Target	Result	Target	Result	Target	Target
Indian and Native American Programs							
Strategic Goal 1 - Support the Ability of All Americans to Find Good Jobs							
Strategic Objective ETA 1.1 - Create customer-focused workforce solutions for American workers.							
ETA-WIOA INA Adult-01	Employment Rate – 2nd Quarter After Exit (WIOA Indian and Native American Program - Adult)	[base]	--	[base]	--	[base]	--
ETA-WIOA INA Adult-02	Employment Rate – 4th Quarter After Exit (WIOA Indian and Native American Program - Adult)	[base]	--	[base]	--	[base]	--
ETA-WIOA INA Adult-03	Median Earning – 2nd Quarter After Exit (WIOA Indian and Native American Program - Adult)	[base]	--	[base]	--	[base]	--
ETA-WIOA INA Adult-04	Credential Attainment Rate (WIOA Indian and Native American Program - Adult)	[base]	--	[base]	--	[base]	--
ETA-WIOA INA Adult-05	Measurable Skill Gains (WIOA Indian and Native American Program - Adult)	[base]	--	[base]	--	[base]	--

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

INDIAN AND NATIVE AMERICANS PROGRAM

Workload and Performance Narrative

The WIOA authorizes six primary indicators of performance. INA grantees report to the Department on: 1) employment in the second quarter after exit; 2) employment 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; and 6) effectiveness in serving employers (measure under development). The results of these measures demonstrate the value of these investments to help address the employment and skill needs of workers, job seekers, and employers. The Department is currently collecting baseline data for the performance indicators for the INA program, and outcome data on the performance indicators will be available beginning with PY 2019 data.

INDIAN AND NATIVE AMERICANS PROGRAM

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
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	54,500	55,000	0	-55,000
	Total	54,500	55,000	0	-55,000

INDIAN AND NATIVE AMERICANS PROGRAM

CHANGES IN FY 2021

(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 **-\$55,000**

Direct FTE **0**

	Estimate	FTE
Base	\$55,000	0
Program Increase	\$0	0
Program Decrease	-\$55,000	0

MIGRANT AND SEASONAL FARMWORKERS

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	88,896	91,896	0	-91,896
FTE	0	0	0	0

Introduction

The National Farmworker Jobs Program (NFJP) provides grants to support employment and training services to migrant and seasonal farmworkers (MSFW) and their dependents. The program provides career services, training services, housing assistance services, youth services, and other related assistance services to MSFWs. The FY 2021 Budget eliminates NFJP. The program is duplicative in that it creates a parallel workforce system for migrant and seasonal farmworkers, despite the fact that they are eligible to receive services through the core Workforce Innovation and Opportunity Act (WIOA) formula programs.

Resource and Program Data Migrant and Seasonal Farmworkers Training and Employment Services

Data Category	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Enacted	FY 2021 President's Budget
<u>Resource Data:</u>	87,896	88,896	91,896	
Service Grant				
Formula	87,369	88,369	91,351	
Training/Technical Assistance	527	527	545	
Total Resources	87,896	88,896	91,896	
<u>Program Data:</u>				
Total Grants	68	68	68	
New Starts				
#	68	68	68	
\$	87,369	88,369	91,351	
Contracts				
#	4	4	4	
\$	527	527	545	

MIGRANT AND SEASONAL FARMWORKERS

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2016	\$81,896	0
2017	\$81,896	0
2018	\$87,896	0
2019	\$88,896	0
2020	\$91,896	0

Funding Mechanism

WIOA programs operate on a Program Year (PY) basis, July 1 through June 30. WIOA requires the Department of Labor (Department) to conduct a grants competition every four years to select the community organizations and state agencies that will operate the NFJP. 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 Development 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 program 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 employment and training funds are allocated annually to state service areas through a funding formula. The formula estimates the number of eligible farmworkers in each state by using data from the Census, the Agricultural Census, the National Agricultural Workers Survey (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, which do not have grants due to their very small relative share of agricultural employment; Connecticut and Rhode Island, which are a combined state service area; and Maryland and Delaware, which are a combined state service area. Because of the large number of agricultural workers, California is represented by a total of five grant organizations. NFJP housing grant funds are allocated based on awarded proposals received through the FOA process.

FY 2021

The FY 2021 Budget eliminates the National Farmworker Jobs Program. The Department has determined that the program is duplicative as it creates a parallel training system for migrant and seasonal farmworkers, who are eligible to receive services through the core WIOA formula programs.

FY 2020

In FY 2020, \$91,896,000 was appropriated for migrant and seasonal farmworker programs under section 167 of the WIOA. The funding will be available for the period April 1, 2020 through

MIGRANT AND SEASONAL FARMWORKERS

June 30, 2021 (PY 2020). Of this amount, \$85,229,000 will be allocated for formula grants for employment and workforce development services; \$6,122,000 for permanent and temporary housing; and \$545,000 for other purposes, including technical assistance to grantees. Based on the most recent cost per participant data (\$4,796 in PY 2016), these funds will provide approximately 19,161 eligible participants with employment and workforce development services.

FY 2019

In FY 2019, \$88,896,000 was appropriated for migrant and seasonal farmworker programs under section 167 of the WIOA. The funding will be available for the period July 1, 2019, through June 30, 2020 (PY 2019). Of this amount, \$82,447,000 will be allocated for formula grants for employment and workforce development services; \$5,922,000 for permanent and temporary housing; and \$527,000 for other purposes, including technical assistance to grantees. Based on the most recent cost per participant data (\$4,796 in PY 2016), these funds will provide approximately 17,190 eligible participants with employment and workforce development services.

MIGRANT AND SEASONAL FARMWORKERS

WORKLOAD AND PERFORMANCE SUMMARY							
		PY 2018 Enacted		PY 2019 Enacted		PY 2020 Enacted	PY 2021 Request
		Target	Result	Target	Result	Target	Target
Migrant and Seasonal Farmworkers							
Strategic Goal 1 - Support the Ability of All Americans to Find Good Jobs							
Strategic Objective ETA 1.1 - Create customer-focused workforce solutions for American workers.							
ETA-WIOA NFJP Adult-01	Employment Rate – 2nd Quarter After Exit (WIOA National Farmworker Jobs Program - Adult)	[base]	79.2%	[base]	--	79.4%	--
ETA-WIOA NFJP Adult-02	Employment Rate – 4th Quarter After Exit (WIOA National Farmworker Jobs Program - Adult)	[base]	70.7%	[base]	--	[base]	--
ETA-WIOA NFJP Adult-03	Median Earning – 2nd Quarter After Exit (WIOA National Farmworker Jobs Program - Adult)	[base]	\$6,041	[base]	--	\$6,240	--
ETA-WIOA NFJP Youth-01	Education and Employment Rate – 2nd Quarter After Exit (WIOA National Farmworker Jobs Program - Youth)	[base]	--	[base]	--	[base]	--
ETA-WIOA NFJP Youth-02	Education and Employment Rate – 4th Quarter After Exit (WIOA National Farmworker Jobs Program - Youth)	[base]	--	[base]	--	[base]	--
ETA-WIOA NFJP Youth-03	Median Earning – 2nd Quarter After Exit (WIOA National Farmworkers Jobs Program - Youth)	[base]	--	[base]	--	[base]	--
ETA-WIOA NFJP Youth-04	Credential Attainment (WIOA National Farmworker Jobs Program - Youth)	[base]	--	[base]	--	[base]	--

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

MIGRANT AND SEASONAL FARMWORKERS

Workload and Performance Narrative

The WIOA authorizes six primary indicators of performance. States report to the Department on: 1) employment in the second quarter after exit for adults, and employment, education, and training for youth; 2) employment in the fourth quarter after exit for adults, and employment, education, and training for youth; 3) median earnings of those employed in the second quarter after exit; 4) credential attainment; 5) measurable skill gains; and 6) effectiveness in serving employers (measure under development). In PY 2018, NFJP Adult outcomes for the performance indicators became available. On July 1, 2018, NFJP grantees started to use the amended ETA Form 9172 to report on NFJP Youth outcomes. PY 2018 data for NFJP Youth will be available later in PY 2019.

MIGRANT AND SEASONAL FARMWORKERS

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
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
41.0	Grants, subsidies, and contributions	88,896	91,896	0	-91,896
	Total	88,896	91,896	0	-91,896

MIGRANT AND SEASONAL FARMWORKERS

CHANGES IN FY 2021

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

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

Built-Ins Subtotal **\$0**

Net Program **-\$91,896**

Direct FTE **0**

	Estimate	FTE
Base	\$91,896	0
Program Increase	\$0	0
Program Decrease	-\$91,896	0

REENTRY EMPLOYMENT OPPORTUNITIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	93,079	98,079	93,079	-5,000
FTE	0	0	0	0

Introduction

The Reentry Employment Opportunities (REO) program, in consultation with the Department of Justice (DOJ), provides current or formerly incarcerated adults and youth involved in the justice system with occupational skills training leading to industry-recognized credentials and apprenticeships that lead to employment in industries and occupations that offer competitive wages and opportunities for advancement. The REO program also contributes to the development of a skilled labor force that helps boost the economic development of communities.

The REO program provides pre-release and comprehensive post-release services targeted in communities where high rates of poverty and crime exist, and have large numbers of persons returning from incarceration. These services include career assistance, mentoring, career coaching, transportation assistance, and preparation for post-secondary education. REO grantees also connect participants with additional services such as housing, childcare, family unification services, and legal assistance from non-profit legal service centers. REO has a strong business engagement focus and includes employers at every level of planning and development of these programs, so that they may better serve the business community. Grantees connect with employers to educate them on the benefits of hiring persons with criminal records, and assist them in tapping into this underutilized labor pool.

The Workforce Innovation and Opportunity Act (WIOA) defines offenders as adults or juveniles who have been subject to any stage of the criminal justice process, and for whom services under WIOA may be beneficial, or people who require assistance in overcoming artificial barriers to employment resulting from a record of arrest or conviction. Adult reentry programming focuses on persons aged 18 or older who were sentenced under the adult criminal justice system.

The Department of Labor (Department) has taken several steps to date to build effective industry partnerships and job-placement services, offer industry-recognized credentials, and provide work-readiness and work-based learning opportunities, including apprenticeships in in-demand occupations. The Department is committed to using its REO funding stream to advance the evidence base on workforce development interventions serving justice-involved adults and youth. The Department's efforts have primarily focused on grant requirements and performance metrics, business outreach, and tools to ease businesses' hiring decisions. All grants must include employment-focused services, such as apprenticeship, occupational skills training leading to industry-recognized credentials, work-based learning, or a career pathways approach. To support job placement, the Department has expanded the Federal Bonding Program (FBP), which

REENTRY EMPLOYMENT OPPORTUNITIES

provides fidelity insurance to employers that hire persons with criminal records, as well as other at-risk job candidates.

REO applicants are rated, in part, on how well their occupational skills education serves the needs of their local business community. Grantee performance measures include employment, earnings, credential attainment, and measurable skills gains.

The Department will continue to promote occupational skills training and apprenticeships in consultation with DOJ, for current or formerly incarcerated persons and youth involved in the justice system.

Resource and Program Data REO Training and Employment Services (Dollars in Thousands)

Data Category	PY 2018 Enacted	PY 2019 Enacted	PY 2020 Enacted	PY 2021 President's Budget
<u>Resource Data:</u>	93,079	93,079	98,079	93,079
Service Grant				
Formula				
Competitive	91,331	89,300	94,097	89,300
Training/Technical Assistance	1,507	2,596	2,735	2,596
Program Support	241	1,183	1,247	1,183
Total Resources	93,079	93,079	98,079	93,079
<u>Program Data:</u>				
Total Grants	72	72	74	72
New Starts				
#	72	72	74	72
\$	91,331	89,300	94,097	89,300
Contracts				
#	4	4	4	4
\$	1,748	3,779	3,982	3,779

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2016	\$88,078	0
2017	\$88,078	0
2018	\$93,079	0
2019	\$93,079	0
2020	\$98,079	0

REENTRY EMPLOYMENT OPPORTUNITIES

Funding Mechanism

REO operates on a program year (PY) basis. The funds requested for FY 2020 will be available from April 1, 2020 through June 30, 2021 (end of PY 2020). The Department funds REO projects through a competitive solicitation process. Grants serving current and formerly incarcerated adults may be awarded to local workforce development boards, post-secondary education institutions, state or local governments, non-profit faith-based and 501(c) (3) community- and faith-based organizations, and Indian and Native American serving entities. Grants for serving current and formerly incarcerated youth involved in the justice system 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.

FY 2021

The Department is requesting \$93,079,000 in FY 2021 for the period of April 1, 2021, through June 30, 2022 (end of PY 2021) to serve persons sentenced under the adult criminal justice system and young adults involved in the juvenile or adult justice system. This funding will serve an estimated 18,240 participants in PY 2021 at a cost per participant of \$5,103.

In PY 2021, the Department will continue to focus on projects that provide comprehensive occupational skills training and apprenticeship opportunities and evaluate program models funded through the REO grants to assess their effectiveness. The Department will use lessons learned through the random assignment evaluation of the Department's Reintegration of Ex-Offenders Program: Final Impact Report¹¹ and various Enhanced Transitional Jobs Demonstration.¹² Approximately \$64,584,000 will be used for grants to serve adults ages 18 and above, while approximately \$25,000,000 will be used to serve young adults between the ages of 16 to 24. The remaining funds contribute to evaluating the REO grants, and providing technical assistance to grantees serving youth to help them improve their performance.

FY 2020

The Department was appropriated \$98,079,000 in FY 2020 for the period of April 1, 2020, through June 30, 2021 (end of PY 2020) to serve current and formerly incarcerated adults and youth involved in the justice system. This funding will serve an estimated 19,220 participants in PY 2020 at a cost per participant of \$5,103.

In PY 2020, the Department will continue to focus on building the evidence base on ex-offender serving workforce models. The Department learned from the random assignment evaluation of the Reintegration of Ex-Offenders Program that beginning to serve individuals after they have

¹¹ Reintegration of Ex-Offenders (RExO) Program: Final Impact Report, Social Policy Research, December 2016. https://wdr.doleta.gov/research/FullText_Documents/ETAOP-2015-10_The-Evaluation-of-the-Re-Integration-of-Ex-Offenders-%28RExO%29-Program-Final-Impact-Report_Acc.pdf

¹² New Perspectives on Creating Jobs - Final Impacts of the Next Generation of Subsidized Employment Programs, MDRC, November 2018; <https://wdr.doleta.gov/research/details.cfm?q=&id=2613>

REENTRY EMPLOYMENT OPPORTUNITIES

returned home from prison results in serving a self-selected group of more motivated individuals, and we learned from the Center for Employment Opportunities Transitional Jobs Demonstration that offender programs can have the greatest impact on reducing the number of individuals who subsequently commit violent felonies by serving individuals within the first three months of release from prison and who are at medium or high risk of re-offending. Consistent with these findings, the Department is now focusing its adult offender grants on starting services to individuals while they are still in prison so as to reach a more at-risk population and to begin serving them at the very start of their reentry planning.

Approximately \$69,584,000 of FY 2020 funds will be used for grants to serve adult offenders ages 18 and above, while approximately \$25,000,000 will be used to serve young adults involved in the justice system ages of 18 to 24. The remaining funds contribute to the evaluations of the REO grants, and provide technical assistance to grantees serving youth to help them improve their performance.

FY 2019

The Department was appropriated \$93,079,000 in FY 2019 for the period of April 1, 2019 through June 30, 2020 (end of PY 2019) to serve adult offenders in the criminal justice system and youth offenders involved in either the adult criminal justice system or juvenile justice system. This funding will serve an estimated 18,240 participants at a cost-per-participant of \$5,103.

In PY 2019, the Department will award 17 grants of approximately \$4 million each to serve adult offenders ages 18 and above, and six grants of \$4.5 million each to serve young adults ages 18 to 24. The adult grants will start services while individuals are still in prison or jail, with services continuing when individuals are released and return home. Roughly half the grants will begin by serving individuals in state prisons, while the other half of the grants will begin by serving individuals in county or local jails. These grants are based in part on the Department's Linking to Employment Activities Pre-Release (LEAP) grants, which created jail-based American Job Centers (AJCs) to support the successful reentry of participants and directly link them to community-based AJCs upon release.

Eligible applicants for these grants include community or faith-based organizations with IRS 501(c)(3) non-profit status; post-secondary education institutions with 501(c)(3) status; state or local governments; and Indian and Native American entities eligible for grants under section 166 of WIOA. Each of the adult offender grants will be required to have a signed Letter of Commitment or Memorandum of Understanding with a state correctional facility or county or local jail which addresses how the applicant and partner staff will access the state correctional facility or local or county jail, how partners will provide pre-release services, which resources and space will be supplied by the correctional facility, what the facility requirements for inmate participation and selection will be, and how security for applicant and partner staff will be ensured.

Pre-release services will include job preparation, developing individual development plans (IDPs) including identifying barriers to employment, career exploration and planning, and

REENTRY EMPLOYMENT OPPORTUNITIES

counseling and assistance linking inmates to the social services required to help them transition back to their communities. Post-release activities will include employment-focused services, including apprenticeships and occupational training in demand industries that lead to industry-recognized credentials. Participants will maintain the same caseworker pre-and-post release as suggested as a best practice in the LEAP Implementation Study.

The PY 2019 appropriation for ex-offender activities requires that \$25 million be spent on 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. As defined in the grant announcement, applicants must be organizations with a presence in at least three communities across at least two states, and must serve at least three communities across two states for this project. The grants will emphasize coordination with community colleges to provide training in occupations in local demand. Services to be provided through these grants include job placement; occupational training leading to industry-recognized credentials; work-based learning, including work experience and apprenticeships; job readiness training; career exploration; case management, including the development of an Individual Development Plan; assistance with applying for financial assistance for post-secondary education; supportive services; and 12 months of follow-up services.

REENTRY EMPLOYMENT OPPORTUNITIES

WORKLOAD AND PERFORMANCE SUMMARY							
		PY 2018 Enacted		PY 2019 Enacted		PY 2020 Enacted	PY 2021 Request
		Target	Result	Target	Result	Target	Target
Reentry Employment Opportunities							
Strategic Goal 1 - Support the Ability of All Americans to Find Good Jobs							
Strategic Objective ETA 1.1 - Create customer-focused workforce solutions for American workers.							
ETA-WIOA REO Adult-01	Employment Rate – 2nd Quarter After Exit (WIOA ReEntry Employment Opportunities - Adult)	--	--	[base]	--	[base]	TBD
ETA-WIOA REO Adult-02	Employment Rate – Fourth Quarter After Exit (WIOA ReEntry Employment Opportunities - Adult)	--	--	[base]	--	[base]	TBD
ETA-WIOA REO Adult-03	Median Earning – 2nd Quarter After Exit (WIOA ReEntry Employment Opportunities - Adult)	--	--	[base]	--	[base]	TBD
ETA-WIOA REO Adult-04	Credential Attainment (WIOA ReEntry Employment Opportunities - Adult)	--	--	[base]	--	[base]	TBD
ETA-WIOA REO Adult-05	Measurable Skill Gains (WIOA ReEntry Employment Opportunities - Adult)	--	--	[base]	--	[base]	TBD
ETA-WIOA REO Youth-01	Education and Employment Rate – 2nd Quarter After Exit (WIOA ReEntry Employment Opportunities - Youth)	--	--	[base]	--	[base]	TBD
ETA-WIOA REO Youth-02	Education and Employment Rate – Fourth Quarter After Exit (WIOA ReEntry Employment Opportunities - Youth)	--	--	[base]	--	[base]	TBD
ETA-WIOA REO Youth-03	Median Earning – 2nd Quarter After Exit (WIOA ReEntry Employment Opportunities - Youth)	--	--	[base]	--	[base]	TBD
ETA-WIOA REO Youth-04	Credential Attainment (WIOA ReEntry Employment Opportunity - Youth)	--	--	[base]	--	[base]	TBD

REENTRY EMPLOYMENT OPPORTUNITIES

WORKLOAD AND PERFORMANCE SUMMARY								
	PY 2018 Enacted		PY 2019 Enacted		PY 2020 Enacted	PY 2021 Request		
	Target	Result	Target	Result	Target	Target		
ETA-WIOA REO Youth-05	Measurable Skill Gains (WIOA ReEntry Employment Opportunities - Youth)		--	--	[base]	--	[base]	TBD

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

REENTRY EMPLOYMENT OPPORTUNITIES

Workload and Performance Narrative

The WIOA authorizes six primary indicators of performance. Grantees report to the Department on: 1) employment in the second quarter after exit; 2) employment 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; and 6) effectiveness in serving employers (measure under development). The results of these measures demonstrate the value of these investments to help address the employment and skill needs of workers, job seekers, and employers. The Department is implementing a case management system for this program and outcome data will be available beginning in PY 2019.

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 who received occupational skills education;
- Number of people who received career services;
- Number of people with demonstrated skill gains; and
- Amount of funds spent.

Additional data are collected on the types of participant services, individuals who have exited the program, and those with positive outcomes who were previously unemployed. These measures help determine whether grant recipients are implementing strategies that will help meet their outcome goals.

REENTRY EMPLOYMENT OPPORTUNITIES

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
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
41.0	Grants, subsidies, and contributions	93,079	98,079	93,079	-5,000
	Total	93,079	98,079	93,079	-5,000

REENTRY EMPLOYMENT OPPORTUNITIES

CHANGES IN FY 2021

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

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

Built-Ins Subtotal **\$0**

Net Program **-\$5,000**

Direct FTE **0**

	Estimate	FTE
Base	\$98,079	0
Program Increase	\$0	0
Program Decrease	-\$5,000	0

APPRENTICESHIP PROGRAM

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	160,000	175,000	200,000	25,000
FTE	0	0	0	0

Introduction

Apprenticeship programs train workers with 21st century skills that meet employer and industry workforce needs. Apprenticeship combines job-related technical instruction with structured on-the-job learning experiences. Upon completion of an apprenticeship program, participants receive nationally recognized credentials that certify occupational proficiency, are portable, and provide pathways to the middle class. In many cases, these programs provide apprentices with the opportunity to simultaneously obtain post-secondary degrees.

Apprenticeship is a key strategy to develop the nation’s workforce in areas including advanced manufacturing, financial services, educational services, transportation, information technology, healthcare, and the skilled trades. Apprentices receive wages that increase as their knowledge, skills, and abilities progress. Apprenticeships (which often 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’s or bachelor’s degree. Those credentials, in turn, lead to a long-term, well-paying career.

The Presidential Executive Order Expanding Apprenticeships in America, signed June 15, 2017, (E.O. 13801) states that “it shall be the policy of the Federal Government to provide more affordable pathways to secure, high paying jobs by promoting apprenticeships and effective workforce development programs, while easing the regulatory burden on such programs and reducing or eliminating taxpayer support for ineffective workforce development programs.” The FY 2021 Budget supports the rapid expansion of both Registered Apprenticeship Programs (RAPs) and Industry-Recognized Apprenticeship Programs (IRAPs), which together will offer multiple approaches to apprenticeship. The Department will pursue ways to expand apprenticeship opportunities in high-growth sectors where apprenticeships are underutilized, and will expand the number of job seekers engaging in earn-and-learn programs that offer portable and stackable credentials.

The effectiveness of apprenticeship programs rely on work-based training models which adeptly incorporate cutting-edge, private sector-led innovations and combine job-related technical instruction with structured on-the-job learning experiences. Apprentices benefit from day one, earning a starting salary and receiving wages that rise with their skill attainment and improved productivity.

While this appropriation provides essential funding for targeted investments, the workforce and education systems and associated programs, as authorized by WIOA and other federal laws, are

APPRENTICESHIP PROGRAM

central to achieving apprenticeship expansion of the scale called for in the Executive Order. A coordinated strategy will emphasize the alignment of the education and workforce systems with the goal of matching employers with qualified workers. By working with a cadre of partners, including industry, labor, education and the non-profit sector, a coordinated public-private partnership strategy will open up new opportunities for young Americans and provide them with the skills they need to compete in today's economy.

Women's enrollment in registered apprenticeship programs has been significantly lower than would be expected based on labor market data. ETA seeks to help employers reduce barriers to apprenticeship for women and increase women's participation in and completion of apprenticeship programs. The 2016 apprenticeship final rule requires sponsors to conduct outreach and recruitment to organizations likely to make referrals of applicants, including women, to apprenticeship programs. It is expected that in most cases sponsors establish specific goals for the participation of women in apprenticeship programs that lead to greater efforts in conducting targeted outreach to women. To support sponsors in meeting the EEO requirements, ETA's Office of Apprenticeship has developed a suite of education materials and tools to help sponsors in recruitment, anti-harassment training, and conducting demographic analyses.

ETA also collaborates regularly with other agencies that advance opportunity for women, including EEOC to support enforcement and the Women's Bureau to raise awareness of apprenticeship opportunities.

Moreover, since 2015, the Department has funded efforts to diversify partnership through the American Apprenticeship Initiative (AAI) grant program and Industry and Equity Intermediary contracts. Specific examples include: increasing apprenticeship opportunities in manufacturing, healthcare, IT, construction, hospitality and transportation industries. As an Apprenticeship Equity Partner, Chicago Women In Trades has worked on the Girls in Trades Conference and Career Fair; connected female high school students enrolled in construction related programs with post-graduation opportunities in apprenticeship; and supported retention programs that offer mentorship and skills sharing for apprentices and assist in recruiting women.

APPRENTICESHIP PROGRAM

Resource and Program Data Apprenticeship Program Training and Employment Services

Data Category	PY 2018 Enacted	PY 2019 Enacted	PY 2020 Enacted	PY 2021 President's Budget
<u>Resource Data:</u>	145,000	160,000	175,000	200,000
Service Grant	92,953	104,000	TBD	TBD
Formula ¹³	0			
Competitive/Discretionary ¹⁴	73,000	115,500	TBD	TBD
Research Evaluation	0	1,000		TBD
Training/Technical Assistance ¹⁵	22,200	4,000	TBD	TBD
Program Support ¹⁶	49,900	39,500	TBD	TBD
Total Resources	144,995	160,000	175,000	200,000
<u>Program Data:</u>				
Total Grants	52	52	TBD	TBD
New Starts				
#	52	52	TBD	TBD
\$	92,953	104,000	TBD	TBD
Contracts				
#	25	25	TBD	TBD
\$	52,042	56,000	TBD	TBD

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2016	\$90,000	0
2017	\$95,000	0
2018	\$145,000	0
2019	\$160,000	0
2020	\$175,000	0

¹³ For PY 18 and 19, although the State Apprenticeship grant amounts were awarded based on a formula, these were discretionary still discretionary grants that states had to apply for.

¹⁴ For PY 18, includes State Apprenticeship grants (\$73m). For PY 19, includes proposed state grants (\$73m) and youth apprenticeship grants (\$42.5).

¹⁵ For PY 18, includes Technical Assistance to support state grantees and a cooperative agreement with AACC to train 16,000 apprentices and expand community college apprenticeship programs (\$20m). For PY 19, this includes Technical Assistance to support state grantees (\$2m) and youth apprenticeship grantees (\$2m).

¹⁶ Includes RAP program support, specifically to support the expansion and modernization of RAP. For PY 18, this includes: Youth Intermediary Contracts (\$7.7m); Apprenticeship Expansion and Modernization Fund (\$25.9m); Industry and Equity intermediary Contracts (\$15.8 m); Marketing (\$550k); data management modernization (\$2.9m); performance reporting data collection (435k); Competency-based Occupational Frameworks (\$600k); and IT support (\$22k). For PY 19, Industry and Equity intermediary Contracts (\$27m); technology modernization and related technical assistance (\$7.9); apprenticeship.gov (\$4m); and, Competency-based Occupational Frameworks (\$600k).

APPRENTICESHIP PROGRAM

Funding Mechanism

FY 2021 apprenticeship funds will be available from July 1, 2021, through June 30, 2022. The Department will carry out activities through grants, cooperative agreements, contracts, and other arrangements.

FY 2021

The Department is requesting \$200,000,000 in FY 2021 for the period of July 1, 2021, through June 30, 2022 (PY 2021). The Department will pursue ways to expand registered apprenticeship and industry-recognized apprenticeship opportunities in high-growth sectors where apprenticeships are underutilized, including advanced manufacturing, financial services, educational services, transportation, information technology, and healthcare. The Department's FY 2021 investment strategies for apprenticeship would include funding for a variety of activities, such as:

READY TO SCALE STATE GRANTS: State-led Expansion and Innovation.

These resources will enable Governors to support strategic apprenticeship functions and increase the system's capacity to create new apprenticeship programs while also driving system reform. Key policy objectives will include: employer engagement to increase apprenticeship program adoption to help close skill gaps for in-demand industries and occupations within the State; expanding access, equity, and career awareness to increase participation of women and other underrepresented populations; aligning education, workforce and economic development systems; gaining commitments to data sharing and regulatory reform; and leveraging innovative, streamlined models of apprenticeship. Approximately \$2 million would be set-aside for the Department to provide technical assistance to grantees. State strategies will include:

INDUSTRY INTERMEDIARIES: Expand into New and Emerging Industries

Intermediaries will help launch, promote, and expand multi-employer Registered Apprenticeship and Industry Recognized Apprenticeship models that will: 1) scale apprenticeship expansion opportunities in high-growth industries, including those that have not traditionally used apprenticeship to meet employer occupational and skill needs, 2) increase the percentage of Registered Apprenticeship and Industry Recognized Apprenticeship Program opportunities for under-represented populations, and 3) leverage Registered Apprenticeship and Industry Recognized Apprenticeship Program stakeholder resources to support the long-term sustainability of programs developed through this initiative after project completion. Projects will include support for: Subject Matter Experts (SMEs) and facilitation dedicated to the development of apprenticeships in target industries; sector-based outreach, recruitment and marketing schemes for key industry-sector(s) to reach a variety of stakeholders (e.g., employers, sub-industry and trade associations, labor unions, and workforce and educational entities) on the value of quality apprenticeships; inclusion, innovation, and excellence in apprenticeship, including program designs that connect women, youth, low-income individuals and

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underrepresented populations to apprenticeship opportunities. These contracts would build upon work done by apprenticeship industry and equity Intermediaries originally awarded in 2016.

STRATEGIC PARTNERSHIPS: System Alignment Partnerships

Building on successful partnerships with AACC and others such as the U.S military DOL will invest in additional opportunities to scale apprenticeship by entering into national partnerships that can leverage nationwide networks and systems.

DOL will explore new opportunities in FY 2021 including:

- U.S Government. Currently the U.S. Military Apprenticeship Program is the single largest apprenticeship program. While some Federal agencies have adopted apprenticeship as a preferred training model, a significant opportunity exists to create training opportunities through apprenticeship in key occupations where skill gaps have been identified and in succession planning initiatives (in coordination with the Office of Personnel Management).
- Higher Education System. DOL will explore a partnership with national higher education entities that can support the expansion of apprenticeship within the nation's higher education system.

APPRENTICESHIP EXTENSION PARTNERSHIPS: Capacity to Scale

Apprenticeship Extension Partnerships will create centers of excellence in apprenticeship in coordination with the Office of Apprenticeship to incubate innovative program models and speed the development of National Program Standards. The partnerships will focus on five Functional Areas: 1) Apprenticeability and Standards Center (including competency-based apprenticeship frameworks); 2) Diversity and Inclusion Center (including Equal Employment Opportunity efforts) Center; 3) Data and Performance Best Practice Center; 4) Industry Outreach and Referral Center; and, 5) Governance/System Alignment Center. Each of these partnerships will support key areas of apprenticeship system modernization, such as:

- Offering redesign of business processes and new program flexibilities to help achieve dramatic improvements in critical, contemporary measures of performance, such as cost, customer satisfaction and service quality.
- Supporting a clearinghouse of curricula, related training instruction (RTI) outlines, occupational outlines and competency models.
- Developing curriculum and standards development with industry partners and identifying existing, off-the-shelf training outlines.
- Improving opportunities for underrepresented populations in apprenticeship programs.
- Improving data transparency and increasing evidenced-based program improvements.

National System Modernization: Data Modernization, Technology, Marketing, and Technical Support

- **Apprenticeship Technology, Data, and Modernization Efforts.**
 - Implement designs to share data across systems and programs and assess effectiveness of new strategies.

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- Support Apprenticeship.gov, RAPIDS, and other OA data system improvements.
- Increase efficiency through process reengineering, policy, and technical supports.
- **National Activities.**
 - Implement national marketing campaign to increase awareness of the value of apprenticeship among employers and citizens.
 - Support for National Apprenticeship Week.
 - Develop competency-based apprenticeship frameworks.
- **Technical Assistance and Evaluation.**
 - Technical support including project management to bolster monitoring, compliance, and program assessment to reduce risks.
 - On-going evaluation of program quality and research to support the development of next generation best practices.

In addition, the Department requests \$36,390,000 within ETA's Program Administration account for staff and related costs associated with managing the full scope of these apprenticeship program activities.

FY 2020

The Department was appropriated \$175,000,000 in FY 2020 for the period of July 1, 2020, through June 30, 2021 (PY 2020) to expand Registered Apprenticeships across the country. The Department will pursue ways to expand Registered Apprenticeship opportunities in high-growth sectors where apprenticeships are underutilized, including advanced manufacturing, financial services, educational services, transportation, information technology, and healthcare. The Department is in the process of developing a spend plan based on the recently-appropriated resources.

In addition, the Department was appropriated \$36,160,000 within ETA's Program Administration account for staff and related costs associated with the apprenticeship program activities.

FY 2019

In FY 2019, the Department was appropriated \$160,000,000 for the period of April 1, 2019, through June 30, 2020 (end of PY 2019). The FY 2019 funding includes resources for state apprenticeship expansion grants, industry and equity intermediary contracts, youth apprenticeship readiness, and apprenticeship modernization efforts.

State Apprenticeship Expansion Grants (\$75 million)

This grant program provides an opportunity for all States and territories to significantly scale up apprenticeship. To build on the successes generated through this Administration's Registered Apprenticeship expansion strategies, States will use these funds to continue to raise awareness of Registered Apprenticeship, embed apprenticeship into education and workforce development

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systems, increase diversity, and continue to invest in new partnerships and programs. The primary goals of the grants include:

- Expanding the number of apprentices in RAPs nationwide;
- Supporting and encouraging RAP diversification, including increasing the diversity of apprentices and growing apprenticeship across industry sectors; and,
- Advancing the integration of RAPs into State workforce development, education, and economic development systems and programs, ensuring that apprenticeship is a viable career path for youth, adults, and career seekers as well as a valuable workforce development strategy for businesses.

The Department will set aside approximately \$2 million for technical assistance to grantees. This investment will build on the State apprenticeship expansion grants awarded in FY 2018.

Industry and Equity Intermediary Contracts (\$27 million)

The industry and equity contracts support efforts to create innovative program designs in fast-growing and high-tech industries to support employers starting RAPs and increase diversity and inclusion of apprentices in these industries.

Funding to support industry and equity efforts would include: exercising an option year for 10 existing industry and equity partnerships that end in September 2019 and using the remaining balance of funds to expand support for industry and equity partnership work prior to the end of option year 3 for the current industry and equity contracts. Approximately \$750,000 will be set aside for technical assistance.

Grants for Youth Apprenticeship Readiness (\$44.5 million)

This grant program is an opportunity for non-profit organizations, local government entities, local workforce boards, and other organizations to assist educational institutions, employers, industry associations, joint-labor management organizations, States, grantees, and other organizations in expanding youth pathways to apprenticeship. The goal is to launch in-school youth apprenticeship programs to accelerate RAP models across multiple industries and sectors to meet the occupational and skill needs of those industries. More specifically, grantees will: develop youth apprenticeship marketing materials and conduct outreach; provide technical assistance, advice, and support to employers to help create apprenticeship standards; provide industry-specific support; promote innovation, inclusion, and alignment with career and technical education programs and post-secondary opportunities; develop curricula; register youth apprentices; and provide financial support. This grant program builds on the youth intermediary contracts awarded in June 2019. Approximately \$2 million will be set aside for technical assistance to grantees.

Apprenticeship Modernization (\$13.5 million)

This funding for RAP modernization includes the extension of some existing modernization projects as well as funding new modernization projects.

- A. Technology Modernization, Performance Reporting, Evaluation, and Related Technical Assistance (\$8.9 million)*

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This effort seeks to continue critical investments in the Department's technology to support a more robust registration system (RAPIDS 2.0) and more responsive performance tracking system for State grantees. Funds will support a comprehensive and coordinated approach to include the following: RAPIDS 2.0; program evaluation; development of apprenticeship grantee and grantee performance accountability system technical assistance; streamlined apprenticeship data collection (boilerplates), EEO data tools, and related technical assistance; support for expanding opportunities for service members; and technology platform costs mandated by the Department.

B. Apprenticeship.gov (\$4 million)

This effort will fund an existing contract to develop the next set of features for Apprenticeship.gov in support of expanding opportunities related to Registered Apprenticeship. The mission of Apprenticeship.gov is to be the one-stop for all-things apprenticeship – whether you are a career seeker, employer, sponsor, educator, or training provider.

C. Competency-based Apprenticeship Frameworks (\$600,000)

This effort will fund an existing contract to work with employers, industry, and others to build the next set of industry-led competency-based apprenticeship frameworks. The frameworks will become a critical component of the employer tools being developed on Apprenticeship.gov.

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WORKLOAD AND PERFORMANCE SUMMARY				
	FY 2019 Enacted		FY 2020 Enacted	FY 2021 Request
	Target	Result	Target	Target
Apprenticeship Program				
Strategic Goal 1 - Support the Ability of All Americans to Find Good Jobs				
Strategic Objective ETA 1.1 - Create customer-focused workforce solutions for American workers.				
ETA-OA-02 Number of NEW Apprentices	400,000	489,928	720,000	1,000,000

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

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Workload and Performance Narrative

The Department will continue its goal to enroll 1 million new apprentices over the period of FY 2018 – FY 2021 to enable more Americans to obtain jobs that pay a family-sustaining wage. For the workload table above, the Department based the targets on the cumulative running count that began in FY 2018 to achieve the Department’s overall strategic goal of 1 million new apprentices by the end of FY 2021.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	160,000	175,000	200,000	25,000
	Total	160,000	175,000	200,000	25,000

APPRENTICESHIP PROGRAM

CHANGES IN FY 2021 (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	\$25,000	
Direct FTE	0	

	Estimate	FTE
Base	\$175,000	0
Program Increase	\$25,000	0
Program Decrease	\$0	0

WORKFORCE DATA QUALITY INITIATIVE

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	6,000	6,000	0	-6,000
FTE	0	0	0	0

Introduction

The Workforce Data Quality Initiative (WDQI) provides competitive grants to support the development and enhancement of longitudinal data systems that integrate education and workforce data to support evaluation and research on the effectiveness of workforce and education programs and the provision of customer-friendly information to help customers select the education and training programs that best suit their needs. Authorized under section 169 of the Workforce Innovation and Opportunity Act (WIOA), these grants are intended to support accountability and transparency, which are both key goals of WIOA.

Data linkages help state leaders identify effective pathways through education and training services that lead to success in the workforce and provide individuals with information that help 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 data systems that link individuals' demographic information, high school transcripts, college transcripts, and quarterly wage data. These data systems have provided valuable information to consumers, practitioners, policymakers, researchers, and evaluators about the performance of education and workforce development programs. No funding is being proposed for this initiative in FY 2021 as it is expected that States will now assume the responsibility of developing and enhancing these data systems.

WORKFORCE DATA QUALITY INITIATIVE

Resource and Program Data Workforce Data Quality Initiative Training and Employment Services (Dollars In Thousands)

Data Category	PY 2018 Enacted	PY 2019 Enacted	PY 2020 Enacted	PY 2021 President's Budget
<u>Resource Data:</u>	6,000	6,000	6,000	
Service Grant				
Competitive	6,000	5,558	6,000	
Training/Technical Assistance		442		
Total Resources	6,000	6,000	6,000	
<u>Program Data:</u>				
Total Grants	10	10	10	
New Starts				
#	10		10	
\$	6,000		6,000	
Continuing				
#		10	5	
\$		5,558		
Contracts				
#		1		
\$		442		

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2016	\$6,000	0
2017	\$6,000	0
2018	\$6,000	0
2019	\$6,000	0
2020	\$6,000	0

Funding Mechanism

The WDQI operates on a Program Year (PY) basis (July 1 through June 30). The WDQI grants are awarded to states through competitive Funding Opportunity Announcements (FOA).

WORKFORCE DATA QUALITY INITIATIVE

FY 2021

The Department is not requesting any funding for this activity in FY 2021. It is expected that States will take fiscal responsibility for linking state data systems.

FY 2020

In FY 2020, the Department was appropriated \$6,000,000 for the WDQI to support States' development of integrated longitudinal data systems. For PY 2020, the Department will conduct a grant competition that requires States to build enhanced data systems integration with these funds. With this funding, States will be able to develop linkages of program and other data sources, with the goal of improved performance information.

FY 2019

In FY 2019, the Department was appropriated \$6,000,000 for the WDQI to support States' development of integrated longitudinal data systems. For PY 2019, the Department conducted a grant competition that required States to build enhanced data systems integration with these funds. With this funding, States will be able to develop linkages of program and other data sources, with the goal of improved performance information.

WORKFORCE DATA QUALITY INITIATIVE

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	6,000	6,000	0	-6,000
	Total	6,000	6,000	0	-6,000

WORKFORCE DATA QUALITY INITIATIVE

CHANGES IN FY 2021

(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 -\$6,000

Direct FTE 0

	Estimate	FTE
Base	\$6,000	0
Program Increase	\$0	0
Program Decrease	-\$6,000	0

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	89,534	94,534	84,534	-10,000
FTE	0	0	0	0

Introduction

The YouthBuild program helps provide disconnected youth with work readiness and industry-driven credential attainment opportunities. YouthBuild addresses the challenges faced by unemployed, current or former high school dropouts by providing them with an opportunity to gain the education and occupational skills that will prepare them for employment.

YouthBuild is a work-based pre-apprenticeship program that provides job training and educational opportunities to at-risk youth ages 16-24 with a specific focus on attaining construction skills through building or rehabilitating affordable housing for low-income or homeless families in their own neighborhoods. Youth split their time between occupational training and the classroom, where they earn their high school diploma or equivalency, learn to be community leaders, and prepare for postsecondary training opportunities. Starting in 2013, the program has expanded its training and educational focus to include in-demand occupations outside of construction, including STEM fields, such as information technology, healthcare, and manufacturing. YouthBuild provides significant support services, such as mentoring, follow-up education, personal and employment counseling, and participation in community service and civic engagement. There are more than 220 Department-funded YouthBuild programs in 43 states and the territory of Puerto Rico, serving more than 6,000 youth per year.

Findings from the long-term national impact evaluation of YouthBuild indicate the program improved receipt of high school equivalency credentials by 11 percentage points measured 48 months after enrollment. YouthBuild also had a statistically significant positive impact of 7.8 percentage points on enrollment into a two-year community college compared to the control group.¹⁰

¹⁰ Miller, Cynthia, Cummings, Danielle, Millenky, Megan Wiegand, Andrew, and Long David. May 2018. *Laying a Foundation Four-Year Results from the National YouthBuild Evaluation*. New York: MDRC.
https://wdr.doleta.gov/research/FullText_Documents/ETAOP_2018-01_Youth_Build_Evaluation.pdf

YOUTHBUILD

Resource and Program Data YouthBuild Training and Employment Services

Data Category	PY 2018 Enacted	PY 2019 Enacted	PY 2020 Enacted	PY 2021 President's Budget
<u>Resource Data:</u>	89,534	89,534	94,534	84,534
Service Grant				
Competitive	85,522	85,057	90,100	80,759
Training/Technical Assistance	4,012	4,477	4,434	3,775
Total Resources	89,534	89,534	94,534	84,534
<u>Program Data:</u>				
Total Grants	81	68	70	65
New Starts				
#	81	68	70	65
\$	85,522	85,057	90,100	80,759
Contracts				
#	1	1	1	1
\$	4,012	4,477	4,434	3,775

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2016	\$84,534	0
2017	\$84,534	0
2018	\$89,534	0
2019	\$89,534	0
2020	\$94,534	0

Funding Mechanism

YouthBuild operates on a program year (PY) basis. Funds appropriated for YouthBuild are authorized by the Workforce Innovation and Opportunity Act (WIOA), available from April 1 through June 30 of the next year 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 2021

In FY 2021, the Department requests \$84,534,000. Of the total funding amount, five percent will be directed toward the statutory set-aside for technical assistance. The remainder will support

YOUTHBUILD

approximately 65 grants to serve an estimated 6,484 youth with an average cost per participant of \$13,037 based on PY 2018 results after the statutory 5 percent technical assistance set-aside is removed.

In FY 2021, the Department's YouthBuild program will continue to provide pre-apprenticeship opportunities that link education and occupational skills training in construction and other in-demand industries. The program will also maintain its efforts to increase credential attainment, including high school diplomas, high school equivalency degrees, and industry-recognized credentials, for YouthBuild participants. YouthBuild will also emphasize connections to emerging apprenticeship pathways beyond traditional fields and support ongoing pilots to demonstrate this placement approach for youth.

The Department will continue to support technical assistance to address findings from the long-term national impact evaluation discussed earlier.

FY 2020

In FY 2020, the Department was appropriated \$94,534,000 for the period of April 1, 2020 through June 30, 2021 (end of PY 2020). Of the total funding amount, five percent will be directed toward the statutory set-aside for technical assistance. The remainder will support approximately 70 grants to serve an estimated 6,969 youth with an average cost per participant of \$12,241 based on PY 2016 results.

In FY 2020, the Department's YouthBuild program will continue to provide pre-apprenticeship opportunities that link education and occupational skills training in construction and other in-demand industries. The program will also maintain its efforts to increase credential attainment, including high school diplomas, high school equivalency degrees, and industry-recognized credentials, for YouthBuild participants. YouthBuild will also emphasize connections to emerging apprenticeship pathways beyond traditional fields and support ongoing pilots to demonstrate this placement approach for youth.

The Department will continue to support technical assistance to address findings from the long-term national impact evaluation discussed earlier.

FY 2019

The Department received \$89,534,000 for the period of April 1, 2019 through June 30, 2020 (PY 2019). Of the total funding amount, five percent will go towards the statutory set-aside for technical assistance (TA). The remainder will support approximately 68 grants to serve approximately 6,949 youth based on the PY 2016 average cost per participant of \$12,241.

In PY 2019, the Department's YouthBuild program will continue to provide education and occupational skills training through a pre-apprenticeship model. Participants will attain industry-recognized credentials, which support placements in post-secondary education, apprenticeships, and employment.

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The program will continue its expansion into other in-demand occupations outside of construction, including STEM fields such as Information Technology and manufacturing. The Department will also continue to focus its efforts on increasing credential attainment (high school diplomas, high school equivalency degrees, and industry-recognized credentials) for YouthBuild participants and on enhancing post-program placement in employment and post-secondary education.

YOUTHBUILD

WORKLOAD AND PERFORMANCE SUMMARY							
		PY 2018 Enacted		PY 2019 Enacted		PY 2020 Enacted	PY 2021 Request
		Target	Result	Target	Result	Target	Target
YouthBuild							
Strategic Goal 1 - Support the Ability of All Americans to Find Good Jobs							
Strategic Objective ETA 1.1 - Create customer-focused workforce solutions for American workers.							
ETA-WIOA YB-01	Education and Employment Rate – 2nd Quarter After Exit (WIOA YouthBuild)	[base]	--	[base]	--	[base]	TBD
ETA-WIOA YB-02	Education and Employment Rate – 4th Quarter After Exit (WIOA YouthBuild)	[base]	--	[base]	--	[base]	TBD
ETA-WIOA YB-03	Median Earning – 2nd Quarter After Exit (WIOA YouthBuild)	[base]	--	[base]	--	[base]	TBD
ETA-WIOA YB-04	Credential Attainment (WIOA YouthBuild)	[base]	--	[base]	--	[base]	TBD
ETA-WIOA YB-05	Measurable Skill Gains (WIOA YouthBuild)	[base]	--	[base]	--	[base]	TBD

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

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Workload and Performance Narrative

The WIOA authorizes six primary indicators of performance. States report to the Department on: 1) employment in the second quarter after exit; 2) employment 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; and 6) effectiveness in serving employers (measure under development). The results of these measures demonstrate the value of these investments to help address the employment and skill needs of workers, job seekers, and employers. The Department is implementing a case management system for this program and outcome data will be available beginning in PY 2019.

YOUTHBUILD

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
41.0	Grants, subsidies, and contributions	89,534	94,534	84,534	-10,000
	Total	89,534	94,534	84,534	-10,000

YOUTHBUILD

CHANGES IN FY 2021

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
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Grants, subsidies, and contributions	0
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RTAA	0
------	---

Built-Ins Subtotal	\$0
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Net Program	-\$10,000
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Direct FTE	0
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	Estimate	FTE
Base	\$94,534	0
Program Increase	\$0	0
Program Decrease	-\$10,000	0

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	195,899	194,000	194,000	0
FTE	0	0	0	0

Introduction

Funding for job training for employment in high growth industries is provided through a portion of H-1B visa fees, which are authorized under Section 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 (29 U.S.C. 3224a) (ACWIA). The fees are collected from employers when they file applications seeking to hire temporary foreign workers in occupations that require highly-specialized knowledge and skills. A portion of these fees are authorized to be available to the Department without being subject to annual appropriations and are used to provide Americans with education and job training to acquire the skills needed to fill jobs in occupations and industries that employ foreign workers with H-1B visas. The ACWIA provides the Secretary with discretion regarding the funding that will be used in a fiscal year.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2016	\$0	0
2017	\$0	0
2018	\$0	0
2019	\$0	0
2020	\$0	0

Funding Mechanism

Job Training for Employment in High Growth Industries funds are 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 2021

The FY 2021 Budget includes a legislative proposal to double the ACWIA fee for the H-1B visa program (to \$3,000 per worker for large employers and \$1,500 for small employers) to prepare American workers for jobs currently filled by foreign workers, especially in STEM fields. Under the proposal, the prescribed allocations for DOL job training grants (50 percent) and foreign labor certifications (five percent) would remain the same. The National Science Foundation's

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

allocation for the Innovative Technology Experiences for Students and Teachers program (10 percent) would remain the same, while its allocation for STEM scholarships would decrease from 30 percent to 15 percent, a level that would nonetheless maintain absolute funding levels under current estimates. The proposal would initiate a new 15 percent allocation for the Department of Education's Career and Technical Education formula grant, which would provide additional support for technical training at the K-12 and community college levels. The remaining 5 percent would be maintained for Department of Homeland Security processing costs. Working toward the goal of closing the skills gap by training Americans, the Department will use the increased H-1B fee revenue to expand apprenticeships – a proven earn-and-learn workforce strategy.

The Department will award grants during FY 2021 that align with the Administration's strategic vision to create customer-focused, business and industry-driven workforce solutions for American workers. This includes expanding apprenticeships and sector-led approaches.

The Department will continue to direct investments to industries and occupations for which employers use H-1B visas to hire foreign workers. The Department is requesting a revision to the H-1B appropriations rider contained in the General Provisions that accompany the DOL appropriations to allow for training of in-school youth. This revision would expand training and apprenticeship opportunities that bridge secondary and post-secondary institutions, providing a career pathway for new entrants to the labor force.

The Budget also proposes to transfer \$9,000,000 from the H-1B Training Grant fees to the Office of Foreign Labor Certification.

FY 2020

In 2020, the Department will award approximately \$100 million in H-1B funds through the Apprenticeships: Closing the Skills Gap grant program. The program will fund approximately 16 to 30 apprenticeship grants, with awards ranging from \$500,000 to \$6,000,000. The amount of grant funding an applicant can receive will depend on the proposed geographic scope of the apprenticeship project. This grant program requires public/private partnerships that actively engage employers.

This new funding opportunity builds on the Scaling Apprenticeship Through Sector-based Approaches solicitation and shares many of its key features. Where Scaling Apprenticeship focused on promoting the expansion of all apprenticeship models and taking local apprenticeship initiatives to a national scale, the Closing the Skills Gap grants will expand apprenticeships on any scale – ranging from local to national. Closing the Skills Gap puts a heavier emphasis on private sector investment with a corresponding decreased public investment while maintaining the expectations for meeting the goal of increasing the skills of significant numbers of new apprentices. To that end, this grant program requires a 45% match of Federal Funds awarded.

Given the H-1B funding source, the industries and occupations that can be targeted with this funding are those for which employers are using H-1B visas to hire foreign workers, such as

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

information technology (IT) and IT-related industries, health care, and advanced manufacturing. The solicitation emphasizes cybersecurity occupations and those involving artificial intelligence.

FY 2019

The Department used H-1B fees in FY 2019 to support the expansion of apprenticeships. The Presidential Executive Order Expanding Apprenticeships in America, signed June 15, 2017, states that “it shall be the policy of the Federal Government to provide more affordable pathways to secure, high paying jobs by promoting apprenticeships and effective workforce development programs, while easing the regulatory burden on such programs and reducing or eliminating taxpayer support for ineffective workforce development programs.” The H-1B training funds support this Executive Order by expanding the number of job seekers engaging in new types of earn-and-learn programs that offer portable and stackable credentials.

In 2019, the Department awarded approximately \$183 million in grants to support sector-based apprenticeships through the Scaling Apprenticeship Through Sector-Based Strategies grant. The overarching goals of the grant are threefold: (1) to accelerate the expansion of apprenticeships to new industry sectors reliant on H-1B visas, (2) to promote the large-scale expansion of apprenticeships across the nation, and (3) to increase apprenticeship opportunities for all Americans.

The Department funded 23 apprenticeship grants, with awards ranging from \$1 million to \$12 million, including a public-private partnership. This partnership, including higher education institutions as the lead applicant, will seek to develop, implement, and take to a national scale apprenticeship programs in a new industry sector or occupation or for a new population.

On June 24, 2019, the Labor Department announced the availability of approximately \$100 million in grant funds for the Apprenticeships: Closing the Skills Gaps grant program. This grant program will support apprenticeship expansion through three overarching goals: (1) accelerating the expansion of apprenticeships to industry sectors and occupations that have not traditionally deployed apprenticeships for building a skilled workforce, such as cybersecurity, artificial intelligence and health care; (2) promoting the large-scale expansion of apprenticeships across the nation to a range of employers, including small and medium-sized employers; and (3) increasing apprenticeship opportunities for all Americans, particularly in populations underrepresented in apprenticeships including women, people of color, ex-offenders, veterans, military spouses, and transitioning service members.

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DETAILED WORKLOAD AND PERFORMANCE¹⁷						
	PY2018		PY2019		PY 2020	PY 2021
	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						
Employment Rate (Q2)	[base]	--	[base]	[base]	TBD	TBD
Employment Rate (Q4)	[base]	--	[base]	[base]	[base]	TBD
Median Earnings	[base]	--	[base]	[base]	[base]	TBD
Total Enrolled in Training	45,466	45,233	55,082	48,973	TBD	TBD
Total Completed Training	36,794	27,744	30,479	45,255	TBD	TBD
Total Participants Who Complete Education/Training Activities and Attain a Degree or Other Credential	29,981	22,138	37,335	24,424	TBD	TBD
Total Number of Participants Who Enter Unsubsidized Employment	29,876	21,283	36,282	23,157	TBD	TBD

¹⁷ Data provided includes the Ready To Work Grant program, awarded in PY 2014; the TechHire Partnership, Strengthening Working Families Initiative and America's Promise Job-Driven Grants, awarded in PY 2016. Scaling Apprenticeship Grants were awarded in PY 2019 and are not reflected in the data here.

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

Workload and Performance Narrative

These grants focus on the Department's key system outcomes for program participants: 1) improved earnings; 2) increasing employment in emerging and/or growth industries; and 3) 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. The Department expects to use a similar approach in subsequent solicitations.

In the long term, the Department will assess grantee performance by requiring grantees to establish performance targets in key outcome categories, and then assessing grantee performance in achieving these targets, using the WIOA employment-based measures. The Department is currently collecting baseline data to calculate the WIOA performance indicators.

The outcomes for the employment-based performance measures become available towards the end of the life of the grants, and will demonstrate the value of these investments to help address the employment and skill needs of workers, jobseekers, and employers. H-1B funded grants have a focus on providing training and related activities in high demand and 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.

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
41.0	Grants, subsidies, and contributions	195,899	194,000	194,000	0
	Total	195,899	194,000	194,000	0

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

CHANGES IN FY 2021

(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	\$194,000	0
Program Increase	\$0	0
Program Decrease	\$0	0

TICKET TO WORK

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request¹⁸	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	0	0	0	0
FTE	0	0	0	0

Introduction

The Social Security Administration’s (SSA) Ticket to Work and Self-Sufficiency Program (TTW) is intended to assist Social Security Disability Insurance (SSDI) beneficiaries and Supplemental Security Income (SSI) recipients in obtaining and retaining employment. Established in 1999, TTW was designed to increase access to and the quality of employment services for eligible disability beneficiaries by creating a competitive market to provide employment services. In its current form, the Ticket to Work program faces several challenges in attempting to meet its mission. First, the program falls outside of SSA’s core mission of administering OASI, SSDI, and SSI programs. Second, the program duplicates administrative structures and services where robust State and local workforce systems already exist. Finally, the program is administratively burdensome, making it difficult for beneficiaries, employers, and service providers to effectively interact with the program.

Although the Department of Labor and Social Security Administration have taken steps to increase workforce system participation in the Ticket program^{19 20}, in order to drive changes on the scale necessary to improve economic mobility for SSDI beneficiaries and SSI recipients, the Departments propose to significantly reform the Ticket program. The Budget proposes to move the Ticket to Work Program to ETA, the Federal government’s leading workforce development agency. It would empower the American Job Center network to carry out the Ticket to Work Program in concert with other workforce programs. In addition, it would simplify program rules while improving structure and outcomes of the performance-based funding allocation. The

¹⁸ The amounts do not reflect proposed transfer of \$23 million in discretionary resources from the Social Security Administration to ETA for grants to states for the Ticket to Work program. The amounts also do not reflect mandatory funding of approximately \$91 million to be awarded as performance-based grants for the Ticket to Work program.

¹⁹ The Ticket to Work and Work Incentives Improvement Act of 1999. Pub. L. No. 106-170, § 101, 113 Stat. 1860, 1863-73 (codified as amended at 42 U.S.C. § 1320b-19).

²⁰ After several years of sharing information with the workforce system on the Ticket program, the commitment to increase the number of Workforce ENs is reflected in multiple Training and Employment Notices (TENs) starting in 2012 with TEN 14-12 *Receiving Ticket to Work Payment as an Employment Network* that explained the Payment Agreement process, updated in 2014 as TEN 02-14, *Receiving Ticket to Work Payment as an Employment Network*, explaining a new process for public workforce entities to be ENs. In 2018, DOL published TEN 16-18 *New Administrative Processes for Public Workforce Employment Networks under the Social Security Administration’s Ticket to Work Program*, which was updated to support DOL’s goal to expand the capacity of the American Job Centers (AJC) network to serve persons receiving disability benefits. The TEN notified the workforce system regarding the Ticket program’s new administrative processes for public workforce ENs and alternative EN models.

TICKET TO WORK

reformed program will move toward a more integrated, effective, and efficient system for supporting SSDI beneficiaries and SSI recipients in obtaining and sustaining employment. Reform features include aligning Ticket performance measures with WIOA core performance measures; improving the capacity of American Job Centers (AJCs) to serve persons with disabilities; and changing the payment structure from individual vouchers to performance bonuses combined with basic administrative funding by formula to states, including tiered payments based on level of performance. The program would retain key features such as benefits counseling and suspension of Continuing Disability Reviews (CDRs) while disability beneficiaries are pursuing employment. The Office of Disability Employment Policy (ODEP) will provide policy guidance to ETA to support its new responsibilities in implementing the transfer and administration of the program.

The ultimate goals of the proposal include:

- Increasing the number of disability beneficiaries who participate in the program, succeed in employment, and achieve economic mobility;
- Improving the experience of individual program participants;
- Reducing program fragmentation and duplication;
- Establishing national uniformity in essential program features while allowing local innovation;
- Restructuring funding mechanisms and performance metrics to align with the Workforce Innovation and Opportunity Act (WIOA);
- Providing financial incentives to states that perform well;
- Leveraging ETA's expertise in promoting innovative workforce development solutions and employment; and
- Better integrating services for disability beneficiaries into the core workforce system.

Funding Mechanism

The Ticket to Work program will operate on a program year (PY) basis. Funds appropriated will be available from July 1 through June 30 of the next year and will be awarded through grants to states.

FY 2021

The FY 2021 Budget proposes to transfer the Ticket to Work program from the Social Security Administration to the Department of Labor's Employment and Training Administration where it would be simplified, streamlined, and improved to better accomplish its goal of getting individuals with disabilities back into the labor force. The Administration seeks to increase the number of SSDI beneficiaries and SSI recipients who participate in the program, succeed in employment, and achieve economic mobility. The Ticket program falls outside of SSA's core mission of administering OASI, SSDI, and SSI programs and provides services that more closely align with ETA's core mission. The proposal will empower the American Job Center network to coordinate the Ticket program with other federal employment programs. This transition will

TICKET TO WORK

create a more integrated, effective, and efficient program to support SSDI beneficiaries and SSI recipients in obtaining and sustaining employment.

TICKET TO WORK

Workload and Performance Narrative

Reform features include aligning Ticket performance measures with WIOA core performance measures. The WIOA authorizes six primary indicators of performance, which the reformed Ticket program would also use: 1) employment in the second quarter after exit; 2) employment 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; and 6) effectiveness in serving employers (measure under development). The Department is implementing a case management system for all ETA programs and outcome data for this program will not be available until after the first year of implementation of the transfer.

TICKET TO WORK

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
41.0	Grants, subsidies, and contributions	0	0	0	0
	Total	0	0	0	0

TICKET TO WORK

CHANGES IN FY 2021

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments \$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