

FY 2027

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Community Service Employment for Older Americans

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COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

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COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

APPROPRIATION LANGUAGE

N/A

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

AMOUNTS AVAILABLE FOR OBLIGATION

(Dollars in Thousands)

	FY 2025 Enacted		FY 2026 Enacted		FY 2027 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
Budget Authority Before Committee	0	\$405,000	0	\$395,000	0	\$0
Unobligated Balances Brought Forward	0	\$8,249	0	\$315,906	0	\$0
Transfer	0	-\$4,050	0	\$0	0	\$0
Transfer: Program Evaluation	0	-\$3,037	0	\$0	0	\$0
Transfer: Program Integrity	0	\$0	0	-\$2,025	0	\$0
Total Budgetary Resources	0	\$406,162	0	\$708,881	0	\$0

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2026 Enacted	FY 2027 Request	Net Change
Budget Authority			
General Funds	\$395,000	\$0	-\$395,000
Total	<hr/> \$395,000	<hr/> \$0	<hr/> -\$395,000
Full Time Equivalents			
Total	<hr/> 0	<hr/> 0	<hr/> 0

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

Explanation of Change

	FY 2026 Enacted		Trust Funds		Federal Funds		FY 2027 Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
Other services from non-Federal sources	0	\$7,475	0	\$0	0	\$0	0	\$0
Other goods and svcs. from Fed. sources	0	\$3,661	0	\$0	0	\$0	0	\$0
Operation and maint. of equipment	0	\$85	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$382,941	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$838	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	0	+\$395,000	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Increase	0	+\$395,000	0	\$0	0	\$0	0	\$0
Decreases:								
A. Built-Ins:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Eliminate CSEOA			0	\$0	0	-\$395,000	0	-\$395,000
Programs Subtotal			0	\$0	0	-\$395,000	0	-\$395,000
Total Decrease	0	\$0	0	\$0	0	-\$395,000	0	-\$395,000
Total Change	0	+\$395,000	0	\$0	0	-\$395,000	0	-\$395,000

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY

(Dollars in Thousands)

	FY 2025 Enacted		FY 2026 Enacted		FY 2027 Request		Diff. FY 2027 Request / FY 2026 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Community Service Employment for Older Americans	0	\$405,000	0	\$395,000	0	\$0	0	-\$395,000
General Funds	0	\$405,000	0	\$395,000	0	\$0	0	-\$395,000
Total	0	\$405,000	0	\$395,000	0	\$0	0	-\$395,000
General Funds	0	\$405,000	0	\$395,000	0	\$0	0	-\$395,000

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BUDGET AUTHORITY BY OBJECT CLASS

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
25.2 Other services from non-Federal sources	0	7,475	0	-7,475
25.3 Other goods and svcs. from Fed. sources	0	3,661	0	-3,661
25.3 WCF	0	838	0	-838
25.7 Operation and maint. of equipment	0	85	0	-85
41.0 Grants, subsidies, and contributions	405,000	382,941	0	-382,941
Total	405,000	395,000	0	-395,000

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SIGNIFICANT ITEMS IN APPROPRIATION COMMITTEES' REPORTS

Senate Report 119-55 Directive:

The Committee encourages the Department to reserve amounts proportionate to the Pacific Islander and Asian American and the Indian populations for national grants to national Pacific Island and Asian American and Indian aging organizations who have a track record of reaching, in a linguistically and culturally competent manner, this underserved population of older workers across the country with significant barriers to employment. The Committee also directs the Department to provide an update in the fiscal year 2027 CJ on how recipients of funding under title V of the Older Americans Act of 1965 [OAA] are serving older individuals who are Native American and Pacific Islander and Asian American with such funding.

Response:

In Program Year 2025, the Department awarded set-aside grants to aging organizations that provide community service employment and other related activities for eligible individuals who are Native Americans and/or who are Pacific Islanders and Asian Americans, as required under the OAA (42 U.S.C. 3056d(a)(3)). Specifically, the Department awarded a total of approximately \$13.8 million to three such organizations, with approximately half of those funds going to one organization that focuses on services to Pacific Islanders and Asian Americans, and the other half going to two organizations that focus on services to Native Americans. Across all grantees (including general national grants, set-aside grants, and state/territory grants) funded under CSEOA in Program Year 2024 (July 1, 2024 – Jun 30, 2025), of the 39,770 total participants served, 951 participants identified as American Indian or Alaskan Native, 1,135 identified as Asian, and 325 identified as Native Hawaiian or Other Pacific Islander.

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AUTHORIZING STATUTES

Authorizing statutes for Employment and Training Administration programs can be found on the ETA website at <https://www.dol.gov/agencies/eta/laws>.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

APPROPRIATION HISTORY

(Dollars in Thousands)

	Budget Estimates to Congress	Appropriations	FTE
2017			
Base Appropriation	\$434,371	\$400,000	0
2018			
Base Appropriation	\$0	\$400,000	0
2019			
Base Appropriation	\$0	\$400,000	0
2020			
Base Appropriation	\$0	\$405,000	0
2021			
Base Appropriation	\$0	\$405,000	0
2022			
Base Appropriation	\$405,000	\$405,000	0
2023			
Base Appropriation	\$405,000	\$405,000	0
2024			
Base Appropriation	\$405,000	\$405,000	0
2025			
Base Appropriation	\$405,000	\$405,000	0
2026			
Base Appropriation	\$0	\$395,000	0
2027			
Base Appropriation	\$0	\$0	0

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BUDGET AUTHORITY BEFORE THE COMMITTEE

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
Activity Appropriation	405,000	395,000	0	-395,000
FTE	0	0	0	0

Introduction

The Community Service Employment for Older Americans (CSEOA) program, also known as the Senior Community Service Employment Program (SCSEP), aims to support the self-sufficiency and employment of older workers by providing part-time, paid community service positions and work-based training for unemployed, low-income individuals age 55 or older.

SCSEP, as authorized by Title V of the Older Americans Act (OAA), has a dual purpose “to foster individual economic self-sufficiency and to increase the number of participants placed in unsubsidized employment in the public and private sectors, while maintaining the community service focus of the program. The OAA was amended by the Supporting Older Americans Act of 2020 and the Older Americans Act Reauthorization Act of 2016 (2016 OAA).

The FY 2027 Budget proposes to eliminate SCSEP.

Resource and Program Data Community Service Employment for Older Americans (Dollars in Thousands)

Data Category	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request
Resource Data:			
Service Grant	392,941	392,975	0
Formula	85,869	88,728	0
Competitive	307,072	304,247	0
Training/Technical Assistance	5,984	2,025	0
Program Integrity Set-Aside	2,025	0	0
Department Transfer(s)	4,050	0	0
Total Resources	405,000	395,000	0
Program Data:			
Total Grants	75	75	0
New Starts	392,941	392,975	0

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#	75	75	0
\$			
Continuing			
#	0	0	0
\$	0	0	0
Contracts			
#	6	6	0
\$	5,984	2,025	0
Interagency Agreements			
#	0	0	0
\$	0	0	0

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$405,000	0
2023	\$405,000	0
2024	\$405,000	0
2025	\$405,000	0
2026	\$395,000	0

Funding Mechanism

Under current law, the SCSEP program operates on a Program Year (PY) basis (April 1 to June 30 of the following year) and SCSEP funds are, in general, distributed by a statutorily prescribed formula which allocates funds to every state, the District of Columbia, and Puerto Rico, based on U.S. Census data on the number of individuals in that jurisdiction who have low incomes and are age 55 and older. Under current law, prior to determining the amount available to be allocated to the states, the District of Columbia, and Puerto Rico, funds are reserved for the following: 1) up to 1.5 percent of the total authorization as determined by the Secretary of Labor for pilots, demonstrations, and evaluation projects; 2) a fixed percentage of 0.75 percent of the total allocation to the territories of Guam, the U.S. Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands; and 3) a portion determined by the Secretary of Labor for national public or non-profit agencies to serve eligible American Indian and Pacific Island/Asian American individuals.

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

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OAA, these competitively awarded grants are renewed annually for four years, with an optional one-year extension.

FY 2027

The 2027 Budget eliminates the Community Service Employment for Older Americans program. This program does not have a strong record of success and is not cost-effective compared to other job training interventions. The goal of supporting the self-sufficiency and employment of older workers will be addressed through the Make America Skilled Again grant program, which will support the self-sufficiency and employment of all workers, including older workers.

FY 2026

In FY 2026, \$395,000,000 was appropriated for PY 2026. Seventy-five grantees are providing low-income seniors with subsidized work experience in community service employment assignments. The Department anticipates that CSEOA will serve approximately 38,778 participants in PY 2026 (based on PY 2024 cost per participant). The Department is also continuing an older worker evaluation study of demonstration projects using evidence-based practices for improving employment of low-income seniors, including employer-driven and sector-based training and work-based learning strategies.

FY 2025

In FY 2025, \$405,000,000 was appropriated for PY 2025. Seventy-five grantees are providing low-income seniors with subsidized work experience in community service employment assignments. The Department anticipates that SCSEP will serve approximately 39,770 participants in PY 2025 (based on PY 2024 cost per participant). \$2,025,000 was transferred to Program Administration to perform program integrity activities. The Department is also continuing an older worker evaluation study of demonstration projects using evidence-based practices for improving employment of low-income seniors, including employer-driven and sector-based training and work-based learning strategies.

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WORKLOAD AND PERFORMANCE SUMMARY							
		PY 2024 Revised Enacted		PY 2025 Enacted		PY 2026 Enacted	PY 2027 Request
		Target	Result	Target	Result	Target	Target
Community Service Employment for Older Americans							
ETA-WIOA SCSEP-01	Employment Rate – 2nd Quarter After Exit (WIOA Senior Community Service Employment Program)	40.0%	37.2%	40.2%	--	40.2%	--
ETA-WIOA SCSEP-02	Employment Rate – 4th Quarter After Exit (WIOA Senior Community Service Employment Program)	35.3%	34.9%	35.5%	--	35.7%	--
ETA-WIOA SCSEP-03	Median Earnings – 2nd Quarter After Exit (WIOA Senior Community Service Employment Program)	\$3,359	\$3,983	\$3,324	--	\$3,390	--
ETA-Budget SCSEP-01	Number of Participants Served (Senior Community Service Employment Program)	41,827[r]	39,770	39,770[p]	--	39,770[p]	0[p]

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

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Workload and Performance Narrative

The OAA Reauthorization Act of 2016 more closely aligned SCSEP performance indicators to those of WIOA. The Department continues to highlight three indicators related to employment and earnings (Employment Rate 2nd Quarter after Exit; Employment Rate 4th Quarter after Exit; and Median Earnings in 2nd Quarter after Exit) for the purposes of tracking program progress and showing the Department's return on investment. SCSEP grantees began reporting on these measures in Program Year 2018. For 'Employment Rate in the 2nd Quarter after Exit,' the grantees achieved 37.2 percent nationwide in PY 2024. The PY 2024 performance measure for 'Employment Rate in the 4th Quarter after Exit' saw grantees achieve 34.9 percent. Finally, for the PY 2024 performance measure for 'Median Earnings in the 2nd Quarter after Exit,' grantees achieved \$3,983. In PY 2024, the cost per participant was \$10,184, and the number of participants served was 39,770.

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BUDGET ACTIVITY BY OBJECT CLASS

(Dollars in Thousands)

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25.2 Other services from non-Federal sources	0	7,475	0	-7,475
25.3 Other goods and svcs. from Fed. sources	0	3,661	0	-3,661
25.3 WCF	0	838	0	-838
25.7 Operation and maint. of equipment	0	85	0	-85
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CHANGES IN FY 2027

(Dollars in Thousands)

Activity Changes

Built-Ins		
Built-Ins Subtotal	\$0	
Base	\$395,000	0
Program Decreases	-\$395,000	0
Net Program Subtotal	-\$395,000	0
Total Activity Appropriation	\$0	0