

**FY 2017**

**CONGRESSIONAL BUDGET JUSTIFICATION**

**EMPLOYMENT AND TRAINING ADMINISTRATION**

**Training and Employment Services**

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# TRAINING AND EMPLOYMENT SERVICES

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# TRAINING AND EMPLOYMENT SERVICES

## APPROPRIATION LANGUAGE

### (INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Workforce Innovation and Opportunity Act (referred to in this Act as "WIOA"), the Second Chance Act of 2007, and the National Apprenticeship Act, and the Women in Apprenticeship and Non-Traditional Occupations Act of 1992 ("WANTO Act"), [\$3,335,425, 000,] \$3,525,460,000, 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, [\$2,709,832,000] \$2,847,861,000 as follows:

(A) [\$815,556,000] \$842,376,000 for adult employment and training activities, of which [\$103,556,000] \$130,376,000 shall be available for the period July 1, [2016] 2017, through June 30, [2017]2018, and of which \$712,000,000 shall be available for the period October 1, [2016]2017 through June 30, [2017]2018;

(B) [\$873,416,000] \$902,139,000 for youth activities, which shall be available for the period April 1, [2016]2017 through June 30, [2017]2018; and

(C) [\$1,020,860,000]\$1,103,346,000 for dislocated worker employment and training activities, of which [\$160,860,000]\$243,346,000 shall be available for the period July 1, [2016]2017 through June 30, [2017]2018, and of which \$860,000,000 shall be available for the period October 1, [2016] 2017 through June 30, [2017] 2018: *Provided*, That pursuant to section 128(a)(1) of the WIOA, the amount available to the Governor for statewide workforce investment activities shall not exceed 15 percent of the amount allotted to the State from each of the appropriations under the preceding subparagraphs: *Provided further*, 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; and

(2) for national programs, [\$625,593,000]\$677,599,000 as follows:

(A) [\$220,859,000]\$230,859,000 for the dislocated workers assistance national reserve, of which [\$20,859,000] \$30,859,000 shall be available for the period July 1, [2016] 2017 through September 30, [2017] 2018, and of which \$200,000,000 shall be available for the period October 1, [2016]2017 through September 30, [2017]2018: *Provided*, That funds provided to carry out section 132(a)(2)(A) of the WIOA may be used to provide assistance to a State for statewide or local use in order to address cases where there have been worker dislocations across multiple sectors or across multiple local areas and such workers remain dislocated; coordinate the State workforce development plan with emerging economic development needs; and train such eligible dislocated workers: *Provided further*, That funds provided to carry out sections 168(b) and 169(c) of the WIOA may be used for technical assistance and demonstration projects, respectively, that provide assistance to new entrants in the workforce, *adults without employment who are not dislocated workers*, and incumbent workers: *Provided further*, That notwithstanding

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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 in this subparagraph, \$19,000,000 \$20,000,000 shall be made available for applications submitted in accordance with section 170 of the WIOA for training and employment assistance for workers dislocated from coal mines and coal-fired power plants;

(B) \$50,000,000 \$52,000,000 for Native American programs under section 166 of the WIOA, which shall be available for the period July April 1, 2016 2017 through June 30, 2017 2018;

(C) \$81,896,000 for migrant and seasonal farmworker programs under section 167 of the WIOA, including \$75,885,000 for formula grants (of which not less than 70 percent shall be for employment and training services), \$5,517,000 for migrant and seasonal housing (of which not less than 70 percent shall be for permanent housing), and \$494,000 for other discretionary purposes, which shall be available for the period July April 1, 2016 2017 through June 30, 2017 2018: *Provided*, That notwithstanding any other provision of law or related regulation, the Department of Labor shall take no action limiting the number or proportion of eligible participants receiving related assistance services or discouraging grantees from providing such services;

(D) \$994,000 for carrying out the WANTO Act, which shall be available for the period July 1, 2016 through June 30, 2017; and]

(E) \$84,534,000 for YouthBuild activities as described in section 171 of the WIOA, which shall be available for the period April 1, 2016 2017 through June 30, 2017 2018; and

(F) \$3,232,000 for technical assistance activities under section 168 of the WIOA, which shall be available for the period July 1, 2016 2017 through June 30, 2017 2018;

(G) \$88,078,000 \$95,078,000 for ex-offender activities, under the authority of section 169 of the WIOA and section 212 of the Second Chance Act of 2007, which shall be available for the period April 1, 2016 2017 through June 30, 2017 2018: *Provided*, That of this amount, \$20,000,000 shall be for competitive grants to national and regional intermediaries for activities that prepare young ex-offenders and school dropouts for employment, with a priority for projects serving high-crime, high-poverty areas;

(H) \$6,000,000 \$40,000,000 for the Workforce Data Quality Initiative, under the authority of section 169 of the WIOA, which shall be available for the period July 1, 2016 2017 through June 30, 2017 2018;

(I) \$90,000,000 to expand opportunities relating to apprenticeship programs registered under the National Apprenticeship Act, to be available to the Secretary of Labor to carry out activities through grants, cooperative agreements, contracts and other arrangements, with States and other appropriate entities, which shall be available for the period April 1, 2016 2017 through June 30, 2017 2018. (*Department of Labor Appropriations Act, 2016.*)

## **TRAINING AND EMPLOYMENT SERVICES**

### **EXPLANATION OF LANGUAGE CHANGE**

The Administration proposes several changes for FY 2017 to the appropriations language under the Training and Employment Services (TES) heading from the language enacted in FY 2016.

In the paragraph preceding paragraph (1), the reference to the Women in Apprenticeship and Non-Traditional Occupations Act of 1992 (WANTO) is deleted since the Administration is not requesting funding in FY 2017 to carry out that Act. The Apprenticeship Grants under paragraph (2)(H) will allow the Department to more holistically and fully address the goals related to diversity in apprenticeship.

Under paragraph (2)(A), language is added providing that funds used for technical assistance and pilots and demonstrations under the National Reserve may be used to provide assistance to “adults without employment who are not dislocated workers.” This proposed addition will allow the assistance to be available to the comprehensive array of workers served under WIOA.

Paragraphs (2)(B) and (2)(C) extend the period of availability for both the Native American program and the Migrants and Seasonal Farmworkers program from July 1 through June 30 to April 1 through June 30. This change to the obligation periods would promote continuity of services under the programs.

The paragraph (2)(D) that was included in the FY 2016 enacted language appropriating funds for WANTO is deleted since, as described with respect to the deletion of the reference to WANTO in the paragraph preceding paragraph (1), the Administration is not requesting funds to carry out WANTO in FY 2017.

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<b>AMOUNTS AVAILABLE FOR OBLIGATION</b>						
(Dollars in Thousands)						
	<b>FY 2015 Enacted</b>		<b>FY 2016 Enacted</b>		<b>FY 2017 Request</b>	
	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>
<b>A. Appropriation</b>	<b>0</b>	<b>\$1,367,706</b>	<b>0</b>	<b>\$1,563,425</b>	<b>0</b>	<b>\$1,753,460</b>
Non-Expenditure Transfer pursuant to P.L. 113-76	0	-\$2,295	0	\$0	0	\$0
<i>Subtotal Appropriation</i>	<i>0</i>	<i>\$1,365,411</i>	<i>0</i>	<i>\$1,563,425</i>	<i>0</i>	<i>\$1,753,460</i>
Offsetting Collections From:						
Fees	0	\$175,029	0	\$152,644	0	\$160,200
Transfer pursuant to P.L. 114-113				-\$13,000		
<i>Subtotal Appropriation Offsetting Collections</i>	<i>0</i>	<i>\$175,029</i>	<i>0</i>	<i>\$139,644</i>	<i>0</i>	<i>\$160,200</i>
Advance Appropriation	0	\$1,772,000	0	\$1,772,000	0	\$1,772,000
Non-Expenditure Transfer pursuant to P.L. 113-76	0	-\$5,554	0	\$0	0	\$0
<i>Subtotal Advance Appropriation</i>	<i>0</i>	<i>\$1,766,446</i>	<i>0</i>	<i>\$1,772,000</i>	<i>0</i>	<i>\$1,772,000</i>
<b>B. Gross Budget Authority</b>	<b>0</b>	<b>\$3,306,886</b>	<b>0</b>	<b>\$3,475,069</b>	<b>0</b>	<b>\$3,685,660</b>
Offsetting Collections From:						
Fees	0	-\$175,029	0	-\$139,644	0	-\$160,200
<i>Subtotal Fees</i>	<i>0</i>	<i>-\$175,029</i>	<i>0</i>	<i>-\$139,644</i>	<i>0</i>	<i>-\$160,200</i>
<b>C. Budget Authority Before Committee</b>	<b>0</b>	<b>\$3,131,857</b>	<b>0</b>	<b>\$3,335,425</b>	<b>0</b>	<b>\$3,525,460</b>
Offsetting Collections From:						
Prior Year Balance	0	\$496,846	0	\$366,533	0	\$0
Fees	0	\$175,029	0	\$139,644	0	\$160,200
<i>Subtotal</i>	<i>0</i>	<i>\$671,875</i>	<i>0</i>	<i>\$506,177</i>	<i>0</i>	<i>\$160,200</i>
<b>D. Total Budgetary Resources</b>	<b>0</b>	<b>\$3,803,732</b>	<b>0</b>	<b>\$3,841,602</b>	<b>0</b>	<b>\$3,685,660</b>
Unobligated Balances Expiring	0	-\$167	0	\$0	0	\$0
<b>E. Total, Estimated Obligations</b>	<b>0</b>	<b>\$3,433,147</b>	<b>0</b>	<b>\$3,741,798</b>	<b>0</b>	<b>\$3,685,660</b>

# TRAINING AND EMPLOYMENT SERVICES

## SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2016 Enacted	FY 2017 Request	Net Change
<b>Budget Authority</b>			
General Funds	\$3,335,425	\$3,525,460	+\$190,035
<b>Total</b>	\$3,335,425	\$3,525,460	+\$190,035

<b>Full Time Equivalents</b>			
General Funds	0	0	0
<b>Total</b>	0	0	0

### FY 2017 Change

Explanation of Change	FY 2016 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Increases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Costs of pay adjustments	0	\$0	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$1,616	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	\$3,333,809	0	\$0	0	\$0	0	\$0
RTAA	0	\$0	0	\$0	0	\$0	0	\$0
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>+\$3,335,425</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
<b>B. Programs:</b>								
WIOA Formula Funding to FY 2017 Authorized Level - DW	0	\$1,061,694	0	\$0	0	\$82,486	0	\$82,486
Workforce Data Systems Integration	0	\$6,000	0	\$0	0	\$34,000	0	\$34,000
WIOA Formula Funding to FY 2017 Authorized Level- Youth	0	\$873,416	0	\$0	0	\$28,723	0	\$28,723
WIOA Formula Funding to FY 2017 Authorized Level -Adult	0	\$776,736	0	\$0	0	\$26,820	0	\$26,820
DW Power Initiative	0	\$0	0	\$0	0	\$10,000	0	\$10,000
Reintegration of Ex-Offenders	0	\$0	0	\$0	0	\$7,000	0	\$7,000
Indian and Native American Program	0	\$50,000	0	\$0	0	\$2,000	0	\$2,000
<b>Programs Subtotal</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$191,029</b>	<b>0</b>	<b>+\$191,029</b>
<b>Total Increase</b>	<b>0</b>	<b>+\$3,335,425</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$191,029</b>	<b>0</b>	<b>+\$191,029</b>

**Decreases:**

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Explanation of Change	FY 2017 Change							
	FY 2016 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>A. Built-Ins:</b>								
To Provide For:								
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
<b>B. Programs:</b>								
WANTO	0	\$0	0	\$0	0	-\$994	0	-\$994
<b>Programs Subtotal</b>			<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$994</b>	<b>0</b>	<b>-\$994</b>
<b>Total Decrease</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$994</b>	<b>0</b>	<b>-\$994</b>
<b>Total Change</b>	<b>0</b>	<b>+\$3,335,425</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$190,035</b>	<b>0</b>	<b>+\$190,035</b>

## TRAINING AND EMPLOYMENT SERVICES

<b>SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY</b>								
(Dollars in Thousands)								
	FY 2015 Enacted		FY 2016 Enacted		FY 2017 Request		Diff. FY17 Request / FY16 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Adult Employment and Training Activities</b>	<b>0</b>	<b>776,736</b>	<b>0</b>	<b>815,556</b>	<b>0</b>	<b>842,376</b>	<b>0</b>	<b>26,820</b>
General Funds	0	776,736	0	815,556	0	842,376	0	26,820
<b>Youth Activities</b>	<b>0</b>	<b>831,842</b>	<b>0</b>	<b>873,416</b>	<b>0</b>	<b>902,139</b>	<b>0</b>	<b>28,723</b>
General Funds	0	831,842	0	873,416	0	902,139	0	28,723
<b>Dislocated Workers Employment and Training Activities</b>	<b>0</b>	<b>1,236,389</b>	<b>0</b>	<b>1,241,719</b>	<b>0</b>	<b>1,334,205</b>	<b>0</b>	<b>92,486</b>
General Funds	0	1,236,389	0	1,241,719	0	1,334,205	0	92,486
<b>Formula Grants</b>	<b>0</b>	<b>1,015,530</b>	<b>0</b>	<b>1,020,860</b>	<b>0</b>	<b>1,103,346</b>	<b>0</b>	<b>82,486</b>
General Funds	0	1,015,530	0	1,020,860	0	1,103,346	0	82,486
<b>National Dislocated Worker Grants</b>	<b>0</b>	<b>220,859</b>	<b>0</b>	<b>220,859</b>	<b>0</b>	<b>230,859</b>	<b>0</b>	<b>10,000</b>
General Funds	0	220,859	0	220,859	0	230,859	0	10,000
<b>Indian and Native American Programs</b>	<b>0</b>	<b>46,082</b>	<b>0</b>	<b>50,000</b>	<b>0</b>	<b>52,000</b>	<b>0</b>	<b>2,000</b>
General Funds	0	46,082	0	50,000	0	52,000	0	2,000
<b>Migrant and Seasonal Farmworkers</b>	<b>0</b>	<b>81,896</b>	<b>0</b>	<b>81,896</b>	<b>0</b>	<b>81,896</b>	<b>0</b>	<b>0</b>
General Funds	0	81,896	0	81,896	0	81,896	0	0
<b>Technical Assistance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,232</b>	<b>0</b>	<b>3,232</b>	<b>0</b>	<b>0</b>
General Funds	0	0	0	3,232	0	3,232	0	0

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### SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY

(Dollars in Thousands)

	FY 2015 Enacted		FY 2016 Enacted		FY 2017 Request		Diff. FY17 Request / FY16 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Reintegration of Ex-Offenders</b>	<b>0</b>	<b>82,078</b>	<b>0</b>	<b>88,078</b>	<b>0</b>	<b>95,078</b>	<b>0</b>	<b>7,000</b>
General Funds	0	82,078	0	88,078	0	95,078	0	7,000
<b>Apprenticeship Grants</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>90,000</b>	<b>0</b>	<b>90,000</b>	<b>0</b>	<b>0</b>
General Funds	0	0	0	90,000	0	90,000	0	0
<b>Workforce Data Quality Initiative</b>	<b>0</b>	<b>4,000</b>	<b>0</b>	<b>6,000</b>	<b>0</b>	<b>40,000</b>	<b>0</b>	<b>34,000</b>
General Funds	0	4,000	0	6,000	0	40,000	0	34,000
<b>YouthBuild</b>	<b>0</b>	<b>79,689</b>	<b>0</b>	<b>84,534</b>	<b>0</b>	<b>84,534</b>	<b>0</b>	<b>0</b>
General Funds	0	79,689	0	84,534	0	84,534	0	0
<b>Women in Apprenticeship</b>	<b>0</b>	<b>994</b>	<b>0</b>	<b>994</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-994</b>
General Funds	0	994	0	994	0	0	0	-994
<b>Total</b>	<b>0</b>	<b>3,139,706</b>	<b>0</b>	<b>3,335,425</b>	<b>0</b>	<b>3,525,460</b>	<b>0</b>	<b>190,035</b>
<b>General Funds</b>	<b>0</b>	<b>3,139,706</b>	<b>0</b>	<b>3,335,425</b>	<b>0</b>	<b>3,525,460</b>	<b>0</b>	<b>190,035</b>

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<b>BUDGET AUTHORITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
	Full-Time Equivalent				
	<b>Total</b>	0	0	0	0
11.1	Full-time permanent	0	0	0	0
11.9	<b>Total personnel compensation</b>	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	1,616	1,616	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	3,139,706	3,333,809	3,523,844	190,035
	<b>Total</b>	<b>3,139,706</b>	<b>3,335,425</b>	<b>3,525,460</b>	<b>190,035</b>

# TRAINING AND EMPLOYMENT SERVICES

## SIGNIFICANT ITEMS IN FY 2016 APPROPRIATIONS' REPORTS

### **House Report 114-195**

The Committee is concerned that the reliance on a funding mechanism that provides more than half of the annual TES appropriations as advance appropriations obscures the true annual cost of these federal job training programs and creates additional costs and unnecessary burdens on accounting, tracking, guidance, and coordination activities at the federal as well as State and local levels. The Committee directs the Secretary of Labor to review the current funding mechanism, including the provision of advance appropriations, and to make recommendations in the Department's FY 2017 budget justifications for adjustments that would result in cost savings and efficiency gains throughout the Training and Employment Services workforce delivery system.

*ETA Response:* The Department's review of the current WIOA funding system for the TES appropriation indicates that the best way to achieve cost savings and efficiencies is by fully funding the Adult and Dislocated worker programs on July 1st. The use of advance appropriations was begun by Congress more than 15 years ago. Congress has continued to use this practice ever since, and the cost of reversing it is significant. However, the Department does not believe the advance appropriation obscures the true annual costs of the program which is available on both an appropriation and expenditure basis. The Department does agree that having all of the funding available on either April or July 1st would create some efficiencies in administrative operations as it would reduce the number of funding iterations provided to state and local governments. While the recent bipartisan WIOA legislation kept the existing program year structure, the Department did review a move from a July 1st to an October 1st start, without an advance appropriation, and quickly realized that this would create significant inefficiencies and dramatically increase the administrative cost of the program at the federal, state and local levels. Instead of one or two formula allocations, the Department would be forced to provide funding to state and localities for each continuing resolution (CR) or hold the funding pending a longer CR or an appropriation. This level of uncertainty would cause carryover to rise dramatically as state and local governments adjust for the associated risk.

### **House Report 114-195**

Duplication, overlap, and structural inefficiencies throughout the workforce development system continue to be a serious concern for the Committee. Going back to 2007, the Committee noted (House Report 110-231) that there is "evidence that the core services of the adult, dislocated and youth programs at local one-stop career centers sometimes overlap with the statewide labor exchange services provided with funds in the state unemployment insurance and employment services operations account. This diminishes the overall effectiveness of the two programs by creating unnecessary duplication." The Committee is aware that the Department has been working with other agencies, specifically the Department of Health and Human Services, to evaluate the delivery strategies of certain programs to identify overlap and duplication. The Committee directs the Department to continue and expand these efforts and to continue efforts to implement the recommendations of the January, 2011 GAO report "Multiple Employment and Training Programs." (GAO-11-92).

## TRAINING AND EMPLOYMENT SERVICES

### *ETA Response:*

The Departments of Labor, Health and Human Services, and Education have made significant progress since 2011 to coordinate and collaborate with each other on Federal support for state and local workforce development systems. During FY 2015, GAO changed the status of both recommendations in its *Multiple Employment and Training Programs* report to “Closed – Implemented” in recognition of this progress and of the interagency coordination mandated by the Workforce Innovation and Opportunity Act of 2014 (WIOA). As GAO notes in the Recommendations tab of its webpage on the report (<http://www.gao.gov/products/GAO-11-92>), “[WIOA] requires states to develop a unified state plan that covers all designated core programs in order to receive certain funding. As a result, states’ implementation of the requirement may enable them to increase administrative efficiencies in employment and training programs.” These recommendations from GAO-11-92 are also listed as “Fully Addressed” in GAO’s *2015 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits* (<http://www.gao.gov/assets/670/669613.pdf>, page 212, Training, Employment, and Education, 2011, Area 32), released in April 2015.

Federal agencies’ efforts “[t]o facilitate further progress by states and localities in increasing administrative efficiencies in employment and training programs,” as recommended in GAO-11-92, continue through inter-agency implementation of WIOA. Federal partners held multiple in-person and “virtual” town halls and other stakeholder events to gather state and local feedback to be incorporated into WIOA regulations.<sup>1</sup> In April 2015, there was a joint announcement of the release of five Notices of Proposed Rulemaking released by the Departments of Education and Labor implementing the provisions of WIOA. One of the WIOA Notices of Proposed Rulemaking (NPRMs, or draft regulations) was issued jointly by the Departments of Labor (DOL) and Education (ED) implementing the joint provisions of the statute. Because WIOA makes Temporary Assistance for Needy Families (TANF) a mandatory partner in the One-Stop service delivery system (except in States/Territories where the Governor opts out), the Department of Health and Human Services (HHS) worked closely with DOL and ED throughout the development of the WIOA NPRMs and encouraged TANF stakeholders to review and comment on them.<sup>2</sup> In addition, the three agencies are also jointly planning and delivering technical assistance to States regarding WIOA implementation. For example, in January 2016, the Departments of Labor, Education, and Health and Human Services co-hosted a national WIOA convening of over 750 stakeholders in the national WIOA system. Inter-agency state and local teams representing core WIOA partners from 48 States, the District of Columbia, and five Territories met to further strengthen the partnerships across program areas and refine their WIOA implementation strategies, which will improve the public workforce system’s efficiency and effectiveness in serving its business and job-seeker customers.

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<sup>1</sup> July 1, 2015 WIOA Blog (cross-posted by the U.S. Departments of Labor, Education, and Health and Human Services ([https://www.doleta.gov/WIOA/docs/blogs/WIOA\\_Blog\\_July\\_1.pdf](https://www.doleta.gov/WIOA/docs/blogs/WIOA_Blog_July_1.pdf)))

<sup>2</sup> WIOA NPRM Dear Colleague letter by the Director of the Office of Family Assistance, Administration for Children and Families, U.S. Department of Health and Human Services, May 12, 2015 ([http://www.acf.hhs.gov/sites/default/files/ofa/wioa\\_nprm\\_dear\\_colleague\\_5\\_12\\_2105.pdf](http://www.acf.hhs.gov/sites/default/files/ofa/wioa_nprm_dear_colleague_5_12_2105.pdf))

## **TRAINING AND EMPLOYMENT SERVICES**

### **Statement of Managers**

Within funds to provide services for young ex-offenders and school dropouts in high-poverty communities with high crime rates, the Department is also directed to consider the needs of communities that have recently experienced significant unrest.

***ETA Response:*** ETA uses Promise Zone priority language for all of the discretionary youth grant programs, including RExO and YouthBuild. These funding opportunities provide additional points in the grant application scoring process to applicants within Promise Zones designated by the U.S. Department of Housing and Urban Development. Many Promise Zone areas have the potential for unrest because of the dire economic conditions they face. We will continue to give special consideration to these areas. In addition, each applicant's youth unemployment, poverty, violent crime, and high school graduation rates are considered as factors in funding decisions. We believe these indicators ensure the Department's limited resources reach those communities most in need.

### **House Report 114-195**

The Committee recognizes the role of peer-to-peer mentoring and counseling in efforts to address employment barriers faced by incarcerated and formerly incarcerated individuals. The Committee urges ETA to incorporate this type of mentoring and counseling in its grant programs.

***ETA Response:*** ETA currently incorporates this type of mentoring in the grants awarded and will continue to do so.

## TRAINING AND EMPLOYMENT SERVICES

<b>APPROPRIATION HISTORY</b>					
(Dollars in Thousands)					
	<b>Budget Estimates to Congress</b>	<b>House Allowance</b>	<b>Senate Allowance</b>	<b>Appropriations</b>	<b>FTE</b>
2007	1,949,405	2,504,209	996,832	2,791,341	0
2007 Advance for 2008	2,463,000	1,772,000	1,772,000	1,741,043	0
2008 <sup>1,2</sup>	2,776,972	1,758,530	1,815,138	1,804,268	0
2008 Advance for 2009	1,772,000		1,772,000	1,772,000	0
2009	1,338,600		1,854,448	1,854,448	0
2009 Advance for 2010	1,772,000	1,772,000		1,772,000	0
2010	2,061,563	2,030,961		2,056,530	0
2010 Advance for 2011	1,772,000			1,772,000	0
2011 <sup>3</sup>	2,153,475		2,105,478	1,572,497	0
2011 Advance for 2012	1,772,000		1,772,000	1,768,651	0
2012 <sup>4</sup>	1,854,947		1,538,247	1,420,692	0
2012 Advance for 2013	1,772,000			1,772,000	0
2013 <sup>5</sup>	1,459,812				0
2013 Advance for 2014	1,772,000			1,772,000	0
2014	1,615,405				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	1,140,494	1,563,425	0
2016 Advance for 2017	1,772,000	1,772,000	1,772,000	1,772,000	0
2017	1,753,460				0

<sup>1</sup> Reflects 1.747% rescission pursuant to P.L. 110-161.

<sup>2</sup> Excludes \$250,000,000 for Recovery Act pursuant to P.L. 111-5

<sup>3</sup> Reflects a 0.2% across-the-board rescission pursuant to P.L. 112-10

<sup>4</sup> Reflects a 0.189% across-the-board rescission pursuant to P.L. 112-74

<sup>5</sup> 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.



## ADULT EMPLOYMENT AND TRAINING ACTIVITIES

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	FY 2015 Enacted	FY 2016 Enacted	FY 2017 Request	Diff. FY17 Request / FY16 Enacted
<b>Activity Appropriation</b>	<b>776,736</b>	<b>815,556</b>	<b>842,376</b>	<b>26,820</b>
FTE	0	0	0	0

### **Introduction**

The WIOA Adult program, a core program under of the Workforce Innovation and Opportunity Act (WIOA) signed into law on July 22, 2014, provides employment and training services for disadvantaged, low-skilled, unemployed, and underemployed adults. The Adult program has undergone dramatic transformation through Program Years (PY) 2014 and 2015 and will continue to do so through PY 2016 and 2017 as WIOA provisions are implemented and the program is further aligned with the President’s Job-Driven Training Vision. Reforms will be implemented in order to achieve the following goals: helping employers find and retain skilled workers for in-demand jobs, aligning education and training programs with the skills required for in-demand jobs, and providing critical supportive services for hardworking Americans to be able to successfully complete training linked to in-demand jobs.

The program is intended to achieve the following:

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

In PY 2014, the WIOA Adult program served approximately 6,542,806 participants. During this period, over 2.2 million participants received services and over 153,000 unemployed individuals entered employment after receiving services from the WIOA Adult Program. Over 20,000 participants received training, and over 14,000 participants obtained credentials.<sup>1</sup>

In 2006, slightly more than one-third (34.1 percent) of adults aged 22-64 experienced some period of not working, but this proportion rose to 39.2 percent in 2010 before dropping slightly to 38.1 percent in 2012. For low-income individuals, the proportion grew from 68.1 percent in 2006 to 73.2 percent in 2010, before falling slightly to 71.9 percent in 2012.<sup>2</sup> As of July 2014, the number of persons who experienced some unemployment was 17.7 million, down by 3.2

<sup>1</sup> Workforce System Results PY 2014,

[https://www.doleta.gov/performance/results/pdf/DOL\\_Workforce\\_Rprt\\_JUN\\_2015.pdf#page=15](https://www.doleta.gov/performance/results/pdf/DOL_Workforce_Rprt_JUN_2015.pdf#page=15)

<sup>2</sup>ETA analysis of the U.S. Census Bureau’s Annual Social and Economic Supplement to the Current Population Survey, using the online CPS Table Creator, at [www.census.gov/cps/data/cpstablecreator.html](http://www.census.gov/cps/data/cpstablecreator.html).

## ADULT EMPLOYMENT AND TRAINING ACTIVITIES

million from 2013, bringing the percentage to 10.9 percent in 2014. This level was therefore reduced from 12.9 percent the prior year<sup>3</sup>.

The less-educated adults who constitute the nearly three-fifths of Adult program exiters face serious disadvantages compared to those with more education. During the past two decades, even the worst unemployment rates among those with at least a bachelor's degree were less than the unemployment rates of those with less than a high school diploma during the most prosperous years. For employment-to-population ratios (i.e., the proportion of the population that is employed), the gap between the best- and the least-educated individuals has narrowed over time, but still remains extremely wide — in 2012, the ratio was 73 percent for those with at least a Bachelor's degree, versus 40 percent for those with less than high school.<sup>4</sup>

During the past two decades, inflation-adjusted earnings have generally stagnated for those with less than a high school diploma, while rising modestly for those with more education. The average earnings ratio between less than a high school diploma and those with higher educational attainments has generally risen since 1994.<sup>5</sup>

A 2011 evaluation of Washington State's workforce programs found that adults served through the Workforce Investment Act (WIA), the predecessor to WIOA, had higher employment and earnings than non-participants three quarters following their participation in the program.<sup>6</sup> Similarly, a 2008 study of 12 states found "large and immediate impacts on earning and employment for individuals who participated in the WIA adult program,"<sup>7</sup> while a 2005 study of WIA services in seven states found that WIA participants, especially those who received training, were more likely to be employed and to have higher earnings than non-participants.<sup>8</sup>

For Program Year (PY) 2014, WIA Adult data also show that the Entered Employment Rate was 77.7 percent for program participants who received training, compared to 64.1 percent for those who did not receive training services, and 60.5 percent for those individuals who only received core services.<sup>9</sup> The Employment Retention Rate and Six-Month Average Earnings for individuals who received training services were also significantly higher than those of participants who only received core and intensive services. Individuals who received training services had an Employment Retention Rate of 88.5 percent and Six Months Average Earnings of \$15,887 compared to an Employment Retention Rate of 81.2 percent and Six Months Average Earnings of \$13,076 for those who did not receive training. Those individuals who only received

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<sup>3</sup> Workforce Experience of the Population—2014, [http://www.bls.gov/news.release/archives/work\\_12092015.pdf](http://www.bls.gov/news.release/archives/work_12092015.pdf)

<sup>4</sup> See ETA's historical review of unemployment rates and the employment-to-population ratio by educational attainment for adults aged 25 or older, at <https://winwin.workforce3one.org/view/2001316557106346438/info>.

<sup>5</sup> Review of unpublished U.S. Bureau of Labor Statistics data on weekly earnings by educational attainment

<sup>6</sup> Washington State Workforce Training and Education Coordinating Board, Results of the Net Impact Study of 12 Workforce Programs, April 2011.

<sup>7</sup> Carolyn Heinrich, Peter Mueser and Kenneth Troske, Workforce Investment Act Non-Experimental Net Impact Evaluation, Final Report, IMPAQ International, December 2008.

<sup>8</sup> Kevin Hollenbeck, Daniel Schroeder, Christopher T. King and Wei-Jang Huang, Net Impact Estimates for Services Provided through the Workforce Investment Act, U.S. Department of Labor, Employment and Training Administration, October 2005.

<sup>9</sup> Program Year 2014 WIA Annual Report.

## ADULT EMPLOYMENT AND TRAINING ACTIVITIES

core services had an Employment Retention Rate of 81.9 percent, and Six-Month Average Earnings of \$12,813.<sup>10</sup>

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

### **Five-Year Budget Activity History**

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2012	\$770,811	0
2013	\$730,624	0
2014	\$766,080	0
2015	\$776,736	0
2016	\$815,556	0

### **Funding Mechanism**

WIOA programs operate on a program year (PY) basis of July 1 through the following June 30. Funds appropriated in FY 2017 are available from July 1, 2017 through June 30, 2018, or PY 2017. The Department allocates funding to the states based on a statutory formula. The states also distribute money to local workforce areas by a statutory formula.

### **FY 2017**

The Department is requesting \$842,376,000 in FY 2017. This is a \$26,820,000 increase over the FY 2016 (PY 2016) enacted Budget of \$815,556,000. 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 better plan programs — all of which supports the implementation of WIOA. The increase brings the funding level to the FY 2017 WIOA authorized level.

Building upon FY 2016 efforts, the budget also will help to promote overall efficiency of the public workforce system through technical assistance to local areas. The proposed increase for local area service delivery helps respond to the current high demand for job placement, career counseling, skills training, and labor exchange services. The request also recognizes that the bipartisan WIOA statute and the President's Job-Driven Training Vision have created new

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<sup>10</sup> Program Year 2014 WIA Annual Report.

## ADULT EMPLOYMENT AND TRAINING ACTIVITIES

opportunities for local areas to expand services. For example, WIOA streamlines access to career counseling and training while also increasing the range of available training opportunities to include traditional classroom training, transitional jobs, internships, participation in Registered Apprenticeships, and more on-the-job training opportunities. These new opportunities provide low-income, low-skilled adults with different points of entry into career pathways leading to the middle-class, but require significantly more staff and financial resources to implement.

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

- ***Increase Credential Attainment.*** Because credential attainment is strongly associated with improved labor market outcomes for workers, the Department will seek to increase the percent of exiters receiving an industry-recognized credential. The Department also will continue to work with the U.S. Department of Education to jointly encourage states to leverage basic education programs at community colleges to help participants gain the core skills they need to succeed in job driven training programs with entry requirements that some jobless workers cannot meet.
- ***Institutionalize Evidence-Based Decision-Making.*** The Department will continue to use available evidence in the development of strategies and other decision-making, both at the service delivery and systems levels of the public workforce system. The Department has been especially focused on ensuring that the local workforce boards have the best available research about what works and about efforts to build further evidence. This includes disseminating the lessons learned through the Workforce Innovation Fund, and providing information about the other evidence-based strategies, such as sector-based training and apprenticeships.
- ***Priority of Service for Individuals who are Low-Income and Basic Skills Deficient.*** The Adult program provides a priority of service to recipients of public assistance, other “low-income” individuals and individuals who are basic-skills deficient. The latest WIA Adult data available (for April 2014 through March 2015) indicate that 48.5 percent of all exiters who received intensive or training had low-incomes, and 27.1 percent received public assistance.<sup>10</sup>

To address the need for greater levels of skills and education, and consistent with the President's Job-Driven Training initiative, the Department will encourage the development and implementation of sector strategies — a proven approach to help job seekers transition to in-demand and growing occupations. Sector-focused programs, such as in the fields of science, technology, engineering, and mathematics (STEM), aim to connect job seekers and workers to employment opportunities, addressing unmet hiring needs of employers in the labor market and improving participants' prospects in that market. An evaluation of sector-based programs showed that: 1) participants in sector-focused programs earned significantly more than control

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<sup>10</sup> Social Policy Research Associates, *Quarterly WIASRD Report Quarter Ending June 30, 2014*, prepared for ETA, December 17, 2014.

## **ADULT EMPLOYMENT AND TRAINING ACTIVITIES**

group members; 2) participants in sector-focused programs were significantly more likely to work and, in the second year, worked more consistently than control group members; 3) program participants were significantly more likely to work in jobs with higher wages; 4) program participants were significantly more likely to work in jobs that offered benefits; and 5) participants had significant earnings gains as compared to their counterpart controls.<sup>11</sup>

At the proposed funding level, the Adult formula grant program projects to serve 7,194,261 adult job seekers in PY 2017 at an average cost per participant at \$117.09.

### **FY 2016**

In FY 2016, the Department received \$815,556,000, coupled with an increase in the Governor's Reserve to provide statewide activities from 10 percent to the authorized level of 15 percent. By increasing the set-aside, Governors will have an increased ability to respond to their state's unique workforce conditions and training needs and fund additional State-wide or regional projects. Funding the Governor's Reserve at 15 percent provides for a level of statewide activities that, along with allowing the state to provide services and perform statewide projects, will help facilitate financial and programmatic oversight of the local workforce system and comprehensive planning with expanded partnerships, which support implementation of WIOA.

Building upon efforts in FY 2015, the Budget also will help to promote overall efficiency of the public workforce system by allowing for technical assistance to local areas. The proposed increase for local area service delivery helps respond to the current high demand for job placement, career counseling, skills training, and labor exchange services. The request also recognizes that WIOA and alignment with the Job-Driven Training Vision have created new opportunities for local areas to expand service delivery. For example, WIOA streamlines access to career counseling and training while also increasing the range of available training opportunities to include traditional classroom training, transitional jobs, internships, participation in Registered Apprenticeships, and more on-the-job training opportunities. These new opportunities provide low-income, low-skilled adults with different points of entry into career pathways leading to the middle-class but require significantly more staff and financial resources to implement.

At the enacted funding level, the Adult formula grant program is projected to serve 6,965,206 adult job seekers in PY 2016 at an average cost per participant at \$117.09.

### **FY 2015**

The FY 2015 (PY 2015) appropriation was \$776,736,000 to fund the Adult program for the period of July 1, 2015 through June 30, 2016. The PY 2015 full year appropriation increased the Governor's Reserve from 8.75 to 10 percent and the increase in funding was provided to offset this change and preserve funding levels for local areas.

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<sup>11</sup> Tuning In to Local Labor Markets: Findings from The Sectoral Employment Impact Study; Public/Private Ventures, 2010

## **ADULT EMPLOYMENT AND TRAINING ACTIVITIES**

These funds are being used to provide employment and training services to disadvantaged, low-skilled, and/or unemployed/underemployed adult job seekers. These funds are vital to ensuring these disadvantaged populations have opportunities to enter the middle class, while also ensuring those in the middle class are able to stay in the middle class. At the enacted funding level, the Adult formula grant program is projected to serve 6,633,666 adult job seekers in PY 2015, with an Entered Employment Rate of 63.1 percent, an Employment Retention Rate of 82.1 percent, and Six Months Average Earnings of \$14,194.

## ADULT EMPLOYMENT AND TRAINING ACTIVITIES

<b>DETAILED WORKLOAD AND PERFORMANCE</b>							
		<b>PY 2014 Enacted</b>		<b>PY 2015 Enacted</b>		<b>PY 2016 Enacted</b>	<b>PY 2017 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Adult Employment and Training Activities</b>							
<b>Strategic Goal 1 - Prepare workers for better jobs</b>							
<b>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</b>							
ETA-WIA Adult-01	Entered Employment Rate/Employment in the 2nd quarter after exit (WIA Adult) <sup>13</sup>	62.5% [r]	63.7%	63.1%	TBD	N/A	N/A
ETA-WIA Adult-02	Employment Retention Rate/Employment in the 4th quarter after exit (WIA Adult) <sup>14</sup>	82.1%	79.5%	82.1%	TBD	N/A	N/A
ETA-WIA Adult-03	Six Months Average Earnings/Median Earning in the 2nd quarter after exit (WIA Adult) <sup>15</sup>	\$13,945[r]	\$13,561	\$14,194	TBD	N/A	N/A
ETA-WIOA Adult-01	Employment Rate (employment in the second quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA Adult-02	Employment Retention Rate (employment in the fourth quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA Adult-03	Median Earnings (median earnings of those employed in the second quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD

<sup>13</sup> Beginning in PY 2016, the *Entered Employment Rate* measure will change. The new WIOA measure will be calculated based on the percent employed in the 2<sup>nd</sup> quarter after program exit.

<sup>14</sup> Beginning in PY 2016, *Employment Retention Rate* will be discontinued. The new WIOA measure will be calculated based on the percent employed in the 4<sup>th</sup> quarter after program exit.

<sup>15</sup> Beginning in PY 2016, *Six Month Average Earnings* will be discontinued. The new WIOA measure will be Median Earnings of those employed in the 2<sup>nd</sup> quarter after program exit.

## ADULT EMPLOYMENT AND TRAINING ACTIVITIES

<b>DETAILED WORKLOAD AND PERFORMANCE</b>							
		<b>PY 2014 Enacted</b>		<b>PY 2015 Enacted</b>		<b>PY 2016 Enacted</b>	<b>PY 2017 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
ETA-WIOA-Adult-04	Credential Attainment Rate (Percent of participants who earn a diploma, GED, or certificate within one year after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA-Adult-05	Education Attainment Rate (Percent of participants who achieve literacy or numeracy gains of one adult basic education level)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA-Adult-06	Effectiveness in Serving Employers	N/A	N/A	N/A	N/A	TBD	TBD
	Number of Participants Served (WIA Adult)	6,753,768	6,542,806	6,633,666	TBD	6,965,206	7,194,261
	Cost Per Participant Served (WIA Adult)	\$113.43	\$117.09	\$117.09	TBD	\$117.09	\$117.09

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

# ADULT EMPLOYMENT AND TRAINING ACTIVITIES

## **Workload and Performance Narrative**

Beginning in PY 2016, the common measures are revised based on WIOA authorization for six key indicators that are consistent across populations served. These six performance indicators are: 1) 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 toward credential attainment/employment; and 6) effectiveness in serving employers. The targets and results for the six new indicators have not been included in the budget because of changes WIOA made to the methodology for calculating the indicators. To accurately determine targets and results, the Department will collect new baseline data in PY 2016. Based on those data, targets will need to be established in subsequent years.

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

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

Additional data are collected on the intensity of participant services based on the number served, exiters, and those with positive outcomes for entered employment. These outputs help determine whether states are implementing strategies that will help meet their outcome goals. In addition, the Department will conduct evaluations of WIOA formula programs using the six WIOA common indicators that will evaluate the effectiveness of services for various subpopulations and seek to improve program performance. The results of such evaluation and research are used to revise and update program strategies regularly.

## ADULT EMPLOYMENT AND TRAINING ACTIVITIES

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
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	776,736	815,556	842,376	26,820
	<b>Total</b>	<b>776,736</b>	<b>815,556</b>	<b>842,376</b>	<b>26,820</b>

# ADULT EMPLOYMENT AND TRAINING ACTIVITIES

## CHANGES IN FY 2017

(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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<b>Built-Ins Subtotal</b>	<b>\$0</b>
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<b>Net Program</b>	<b>\$26,820</b>
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Direct FTE	0
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	Estimate	FTE
<b>Base</b>	<b>\$815,556</b>	<b>0</b>
<b>Program Increase</b>	<b>\$26,820</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>



## YOUTH ACTIVITIES

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
<b>Activity Appropriation</b>	<b>831,842</b>	<b>873,416</b>	<b>902,139</b>	<b>28,723</b>
FTE	0	0	0	0

### **Introduction**

The Workforce Innovation Opportunity Act (WIOA) Youth program aligns with the Department of Labor’s goals by helping to cultivate an economy built on skills for American workers, specifically 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.

America’s youth and young adults are facing three challenges today that, if unaddressed, will have long-term consequences on the competitiveness of our nation: youth unemployment; high school dropout rates that, while decreasing, are still too high; and a shift to a knowledge and service-based economy – requiring greater levels of skills and education. According to Bureau of Labor Statistics (BLS), in July 2015, unemployment for 16 to 24 year old youth was 12.2 percent (not seasonally adjusted); more than double the national unemployment rate of 5.6 percent (not seasonally adjusted). BLS also reported that in July 2015, the traditional summertime peak for youth employment, the proportion of the 16 to 24 year old population employed was only 52.7 percent. Although dropping, the youth unemployment rate is still high, with 2.8 million youth unemployed.

Graduation rates are increasing and according to the National Center for Education Statistics, public high school four-year adjusted cohort graduation rate (ACGR) for School Year (SY) 2010–11, which provide measures of the percent of students that successfully complete high school in four years with a regular high school diploma was 79 percent, and for SY 2011–12, it was 80 percent. This indicates that nearly four out of five students receive a regular high school diploma within four years of starting 9th grade for the first time. However, high school graduation rates were substantially lower for most minority groups. For SY 2011–12, American Indian/Alaska Native, Black, and Hispanic students had a four-year ACGR below the national average at 67, 69, and 73 percent, respectively. White students and Asian/Pacific Islander students had four-year ACGRs above the national average at 86 and 88 percent, respectively. Economically disadvantaged students, students with limited English proficiency, and students with disabilities all had four-year ACGR rates below the national average for all students at 72, 59, and 61 percent, respectively. The Center for Labor Market Studies at Northeastern University suggests that young people who do not complete high school experience a wide array of labor market, earnings, social and income problems that hinder their ability to transition to careers from their mid-20s onward.<sup>1</sup>

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<sup>1</sup> Sum, A., et al. 2009. “The Consequences of Dropping Out of High School: Joblessness and Jailing for High School Dropouts and the High Cost for Taxpayers.” Center for Labor Market Studies, Northeastern University.

## YOUTH ACTIVITIES

Increasingly, workers need *post-secondary* education and training to succeed in today's workplace, making it even more important that young people finish high school and move forward into high quality post-secondary education or training programs. BLS reports that occupations which typically require post-secondary education for entry are expected, on average, to grow faster than occupations that require a high school diploma or less from 2012 to 2022. Nineteen of the thirty occupations projected to have the fastest employment growth typically require some type of post-secondary education for entry into the occupation. In addition, projected employment growth is concentrated in the health care and social assistance sector, requiring young people to have strong work readiness skills (such as communication, team-work, customer service), problem-solving skills, and occupational skills in that industry.

Considering the global competition for skilled labor, employment and training programs for youth are critical to the current and future competitiveness of our nation. The WIOA Youth program is well-positioned to prepare young people for success in the knowledge-based economy. Under Title I of the WIOA, Youth Activities funds are allotted by formula to states that, in turn, allocate funds to local areas to deliver a comprehensive array of youth workforce investment activities. These activities help assure that youth obtain skills and knowledge to succeed in a knowledge-based economy, including growing and emerging industry sectors, such as health care and social assistance. WIOA authorizes services to low-income youth ages 14 through 21 who are in-school and youth ages 16 to 24 who are out-of-school youth who have barriers to employment, including youth who are deficient in basic skills, homeless, runaways, pregnant or parenting, ex-offenders, school dropouts, foster children, English language learners, youth with disabilities, and other youth who may require additional assistance to complete an educational program or to secure and hold employment. While the program serves both in- and out-of-school youth, WIOA requires that not less than 75 percent of funds be used to serve out-of-school youth, which will focus resources on youth facing the greatest challenges in gaining skills and good employment. Service providers prepare youth for employment and post-secondary education by stressing linkages between academic and occupational learning and creating effective connections to employers. They also assist youth by providing tutoring, alternative secondary school services, summer and year-round work experiences, including pre-apprenticeship programs and on-the-job training opportunities, occupational training, education offered concurrently with workforce preparation, supportive services, leadership development opportunities, mentoring, counseling, financial literacy, entrepreneurial skills training, labor market information, post-secondary education preparation, and follow-up services.

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

# YOUTH ACTIVITIES

## Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2012	\$824,353	0
2013	\$781,375	0
2014	\$820,430	0
2015	\$831,842	0
2016	\$873,416	0

## Funding Mechanism

WIOA Youth programs operate on a program year (PY) of April 1 through the following June 30. Funds appropriated in FY 2017 are available from April 1, 2017 through June 30, 2018, or PY 2017. Under Title I of WIOA, formula funds are provided to states and local areas for the operation of WIOA Youth programs based on a statutory formula, in accordance with 29 USC 2851 Chapter 4. Funds for youth services are allotted to states that, in turn, allocate funds to local areas based on a formula distribution as defined in Sec.127(b)(1)(C)(ii) of WIOA.

## FY 2017

To address the skill and youth employment needs anticipated in FY 2017, the Department is requesting \$902,139,000 for the period of April 1, 2017 through June 30, 2018 (PY 2017). This is an increase of \$28,723,000 over the FY 2016 enacted. PY 2017 funds will be directed by formula to states to provide WIOA youth services. The proposed budget maintains the current 15 percent Governor's Reserve and matches the bipartisan WIOA authorized level for FY 2017. Based on the most recent cost per participant data under the previous law, the Workforce Investment Act of 1998 (WIA), these funds will serve an estimated 241,601 eligible in-school and out-of-school youth who face barriers to employment. However, the Department expects the cost per participant under WIOA to increase compared to WIA, as WIOA requires that not less than 75 percent of funds be dedicated to out-of-school youth, a group that requires more intensive services. WIA data indicate out-of-school youth may cost approximately \$1,000 more to serve than in-school youth. However, because the exact cost estimate changes are unknown, participant estimates reflect current costs.

The Department is in the process of developing targets for the new WIOA performance indicators. In PY 2017, the Department will promote and/or implement a number of strategies within four focus areas: 1) continuing to assist states and local areas in the implementation of the new aspects of WIOA; 2) increasing credential attainment through promoting sector strategies; 3) creating sector-focused career pathways for WIOA youth, particularly disconnected youth; and, 4) developing and expanding collaborative partnerships to leverage resources for youth participants, including implementing early lessons learned from Performance Partnership Pilots, which provide grants to test innovative, outcome-focused strategies to achieve significant improvements in educational, employment, and other key outcomes for disconnected youth.

## YOUTH ACTIVITIES

PY 2017 marks the third year of WIOA implementation and the Department will continue to assist states and local areas in implementing the new aspects of WIOA. Technical assistance will focus on recruiting and serving out-of-school youth (OSY) in order to assist local areas in meeting the minimum 75 percent OSY expenditure requirement through the most effective service provision possible; implementing strategies to increase work experience opportunities in order to assist local areas in meeting the minimum 20 percent work experience expenditure requirement; and implementing the five new WIOA program elements, which include education offered concurrently with workforce preparation, financial literacy, entrepreneurial skills training, labor market information provision, and post-secondary education preparation.

The Department will also include a focus on connecting WIOA youth to career pathways, particularly for disconnected youth. The Department, in collaboration with the Departments of Education and Health and Human Services, will promote the use of career pathways approaches as a promising strategy to help youth acquire marketable skills and industry-recognized credentials through better alignment of education, training and employment, and human and social services among public agencies and with employers. The term “career pathway” as defined in WIOA is a combination of rigorous and high-quality education, training, and other services that: Aligns with the skill needs of industries in the economy of the state or regional economy involved; prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including registered apprenticeships; includes counseling to support an individual in achieving the individual’s education and career goals; includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster; organizes education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable; enables an individual to attain a secondary school diploma or its recognized equivalent and at least one recognized postsecondary credential; and helps an individual enter or advance within a specific occupation or occupational cluster.

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

In addition, the Department will continue to be an active participant in Federal interagency groups, such as the Interagency Working Group on Youth Programs and the Interagency Forum on Disconnected Youth, to promote comprehensive youth employment strategies. The FY 2014,

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

## YOUTH ACTIVITIES

2015, and 2016 enacted budgets provide authority to establish up to 10 Performance Partnership Pilots to improve outcomes for disconnected youth using existing discretionary Federal resources. The authority will enable states, local, 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. The FY 2017 Request continues to propose Performance Partnership Pilot authority. If authority is provided for Performance Partnership Pilots, the Department will both support pilot efforts as well as implement early lessons learned from PY 2014 and PY 2015 pilots.

### **FY 2016**

To address the skill and youth employment needs anticipated in FY 2016, the Department received \$873,416,000 for the period of April 1, 2016 through June 30, 2017 (PY 2016). PY 2016 funds will be directed by formula to states to provide WIOA youth services. Based on the most recent cost per participant data under the previous law, the Workforce Investment Act of 1998 (WIA), these funds will serve an estimated 233,908 eligible youth who are in-school or out-of-school and face barriers to employment. WIA data indicate out-of-school youth may cost approximately \$1,000 more to serve than in-school youth, lowering the number that can be served with the appropriation. The Governor's Reserve was increased from 10 percent to 15 percent, which will support statewide services and projects, ensure financial and programmatic oversight of the local workforce system, and promote comprehensive planning with expanded partnerships. Funds provided through the reserve also will support the transition to WIOA. Building upon efforts in FY 2015, it also will help to promote overall efficiency of the public workforce system by allowing for technical assistance to local areas and updates to performance accountability systems in preparation for the implementation of WIOA performance indicators in PY 2016. This reserve is used for oversight, accountability activities, and to help improve performance in targeted local areas. The increased funding will be used to help serve additional youth.

The Department is in the process of developing targets for the new WIOA performance indicators. To accurately determine targets and results, the Department will collect new baseline data in PY 2016. Based on those data, targets will be established in subsequent years.

PY 2016 marks the second year of WIOA implementation and the Department will continue to assist states and local areas in implementing the new aspects of WIOA. The Department will continue its technical assistance webinar series and focus on additional aspects of WIOA youth implementation such as the new youth program elements. The Department will also include a focus on connecting WIOA youth to career pathways, particularly for disconnected youth. The Department, in collaboration with the Departments of Education and Health and Human Services, will promote the use of career pathways approaches as a promising strategy to help youth acquire marketable skills and industry-recognized credentials through better alignment of education, training and employment, and human and social services among public agencies and with employers.

To address the need for greater levels of skills and education and consistent with the WIOA Adult and Dislocated Worker programs, the Department will encourage the development and

## YOUTH ACTIVITIES

implementation of sector strategies – a workforce development approach that has shown success in helping job seekers access employment and training opportunities in in-demand and growing occupations, such as STEM fields.

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

### **FY 2015**

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

The Department has set a target for placement in employment/education/training of 66.9 percent, a degree/certificate attainment target of 62.2 percent, and a literacy/numeracy gains target of 46.0 percent. To meet these targets, the Department is promoting and/or implementing a number of strategies within five focus areas.

PY 2015 marks the first year of WIOA implementation and the Department is assisting states and local areas in implementing the new aspects of the law. Technical assistance is focusing on recruiting and serving out-of-school youth (OSY) in order to assist local areas in meeting the minimum 75 percent OSY expenditure requirement through the most effective service provision possible; implementing strategies to increase work experience opportunities in order to assist local areas in meeting the minimum 20 percent work experience expenditure requirement; assisting states and local areas in creating partnerships to fulfill the WIOA vision of more integrated WIOA youth-serving programs; and implementing the five new WIOA program elements. Over the course of 2015, the Department hosted monthly technical assistance webinars called the “Enough is Known for Action” webinar series which focused on key WIOA priorities, including serving OSY, work experience, credentials, youth committees, serving youth with disabilities, career pathways, implementing WIOA in rural areas, partnering with the Temporary Assistance for Needy Families program, and serving system-involved youth. The Department also published a WIOA Quick Start Action Planner (QSAP) focused on youth service strategies. The QSAP is an interactive, self-paced assessment tool designed to help leaders at all levels of the public workforce system plan for this transformation and prepare for

## **YOUTH ACTIVITIES**

implementation of WIOA. The QSAP helps to identify areas of strength and focused areas for improvement in a state's workforce system and connect them to targeted resources that can help to prepare and plan effectively.

In order to assist states and local areas with the implementation of WIOA in PY 2015, the Department published Training and Employment Guidance Letter (TEGL) No. 23-14 providing guidance and planning information to states, local workforce areas, and other recipients of Workforce Investment Act (WIA) Title I youth formula funds on the activities associated with the implementation of WIOA. The TEGL included guidance on the new OSY expenditure requirement, implementation of youth standing committees, transitioning in-school youth (ISY) and resources for serving ISY, the new program elements under WIOA, the expanded work experience focus, the new youth eligibility criteria under WIOA, preparing for WIOA transition through youth service provider contracts, and examples of local areas successfully serving large numbers of OSY.

## YOUTH ACTIVITIES

<b>DETAILED WORKLOAD AND PERFORMANCE</b>							
		<b>PY 2014 Enacted</b>		<b>PY 2015 Enacted</b>		<b>PY 2016 Enacted</b>	<b>PY 2017 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Youth Activities</b>							
<b>Strategic Goal 1 - Prepare workers for better jobs</b>							
<b>Strategic Objective 1.2 - Provide marketable skills and knowledge to increase workers' incomes and help them overcome barriers to the middle class through partnerships among business, education, labor, community organizations, and the workforce system</b>							
ETA-WIAYouth-01	Placement in Employment or Education (WIA Youth) <sup>1</sup>	66.8%	67.3%[r]	66.9%	--	N/A	N/A
ETA-WIAYouth-02	Attainment of Degree or Certificate (WIA Youth) <sup>2</sup>	62.2%	65.7%[r]	62.2%	--	N/A	N/A
ETA-WIAYouth-03	Literacy and Numeracy Gains (WIA Youth) <sup>3</sup>	46.2%	50.7%[r]	46.0%	--	N/A	N/A
ETA-WIOA Youth-01	Employment Rate (placement in employment, education or long-term training in the second quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA Youth-02	Employment Retention Rate (placement in employment, education or long-term training in the fourth quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA Youth-03	Median Earnings (median earnings of those employed in the second quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD

<sup>1</sup> Beginning in PY 2016, Placement in Employment or Education will be discontinued. The new WIOA measure will be calculated based on the percent placed in education, training, or employment in the 2nd quarter after program exit.

<sup>2</sup> Beginning in PY 2016, Attainment of a Degree or Certificate will be discontinued. The new WIOA measure will be calculated based on the percent placed in education, training, or employment in the 4th quarter after program exit.

<sup>3</sup> Beginning in PY 2016, Literacy and Numeracy Gains will be discontinued. The new WIOA measure will be credential attainment.

## YOUTH ACTIVITIES

<b>DETAILED WORKLOAD AND PERFORMANCE</b>							
		<b>PY 2014 Enacted</b>		<b>PY 2015 Enacted</b>		<b>PY 2016 Enacted</b>	<b>PY 2017 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
ETA-WIOA Youth-04	Credential Attainment Rate (Percent of participants who earn a diploma, GED, or certificate within one year after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA Youth-05	Education Attainment Rate (Percent of participants who achieve literacy or numeracy gains of one adult basic education level)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA Youth-06	Effectiveness in Serving Employers	N/A	N/A	N/A	N/A	TBD	TBD
	Number of Participants Served (WIA Youth)	239,611	216,988[e]	222,775[r]	--	233,908	241,601
	Cost Per Participant Served (WIA Youth)	\$3,424.00	\$3,781.00[e]	\$3,734.00[r]	--	\$3,734.00	\$3,734.00

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

# YOUTH ACTIVITIES

## Workload and Performance Narrative

The detailed workload and performance table provides estimates for the number of youth participants served through WIOA Youth Activities. In PY 2017, the Department estimates \$4,205 as the average cost per participant for WIOA Youth Activities. This is based on actual cost per participant data from the most recent full program year (PY 2014), which saw a significant increase in the cost per participant from the previous year. The Department believes the increase is related to serving increased numbers of out-of-school youth in preparation for transition to WIOA. In addition, the Department expects the cost per participant under WIOA may continue to increase compared to WIA given the minimum 75 percent out-of-school youth expenditure requirement, as out-of-school youth cost more to serve than in-school youth. If the cost per participant increases as expected once WIOA is implemented, this may result in fewer participants being served than currently estimated.

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

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

Research has shown that sectoral strategies that connect disconnected youth to in-demand and growing occupations result in improved placement outcomes.<sup>1</sup> Because a career pathway model focuses on educational and occupational skills training, it should lead to improved outcomes for the placement measure, as well as degree/certificate attainment and literacy/numeracy gains. The strategy of implementing lessons learned from Workforce Innovation Fund grants and the Opportunity Youth Demonstration initiative will be based on evidence-based strategies that are proven to lead to successful outcomes for disconnected youth. Finally, the strategy of partnering across agencies will result in better aligned and leveraged resources devoted to serving low-income, disconnected youth and provide more opportunities for such youth to receive work experiences, including summer employment. Research from the Center for Labor Market Studies suggests paid work experience may improve educational and employment outcomes for at-risk

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

## YOUTH ACTIVITIES

youth<sup>2</sup>; therefore, the Department believes that increasing the opportunities for work experience for these youth is a promising strategy that may result in higher employment and increased high school graduation rates.

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

The Department has conducted evaluations of the WIA formula programs to assess the specific strategies promoted to support goal achievement. The results of such evaluation and research are used to update and develop new strategies. The Department is currently implementing the Opportunity Youth Demonstration Initiative, a cross-agency effort using a strategic approach to systematically develop full-scale demonstrations to test promising, evidence-based approaches to improving the education and employment outcomes and well-being of low-income youth, aged 16 to 24, who are not in school and not working.

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<sup>2</sup>Sum, A., et al. 2008. "The Historically Low Summer and Year Round 2008 Teen Employment Rate: The Case for An Immediate National Public Policy Response to Create Jobs for the Nation's Youth." Center for Labor Market Studies, Northeastern University.

## YOUTH ACTIVITIES

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	831,842	873,416	902,139	28,723
	<b>Total</b>	<b>831,842</b>	<b>873,416</b>	<b>902,139</b>	<b>28,723</b>

# YOUTH ACTIVITIES

## CHANGES IN FY 2017

(Dollars in Thousands)

**Activity Changes**

**Built-In**

To Provide For:

Advisory and assistance services	\$0
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Grants, subsidies, and contributions	0
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<b>Built-Ins Subtotal</b>	<b>\$0</b>
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<b>Net Program</b>	<b>\$28,723</b>
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Direct FTE	0
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	Estimate	FTE
<b>Base</b>	<b>\$873,416</b>	<b>0</b>
<b>Program Increase</b>	<b>\$28,723</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>



## DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
<b>Activity Appropriation</b>	<b>1,236,389</b>	<b>1,241,719</b>	<b>1,334,205</b>	<b>92,486</b>
FTE	0	0	0	0

### Introduction

The Workforce Innovation and Opportunity Act (WIOA) was signed into law on July 22, 2014, standing as the first reform of the public workforce system in more than 15 years. The WIOA Dislocated Worker (DW) program serves as the primary vehicle to help workers who have lost their jobs as a result of layoffs gain new skills and find meaningful jobs in sectors that are projected to grow. The DW program has undergone dramatic transformation throughout Program Years (PY) 2014 and 2015, as WIOA provisions have been implemented and the program has become further aligned with the Job-Driven Training Vision.

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

- Supports the creation of an economy that provides opportunity for all by helping align the skills of American workers with the skill needs of business;
- Offers a variety of training options ranging from traditional classroom settings to work-based opportunities, such as on-the-job training, for dislocated workers needing new or upgraded skills;
- Turns the unemployment system into a reemployment system by providing services that help dislocated workers obtain employment, such as career counseling, training, credential attainment, and job placement; and
- Helps transitioning service members and veterans return to work by providing priority of service to eligible veterans' spouses, as well as targeting resources to areas with high unemployment among transitioning service members.
- Provides for critical rapid response services to employers to assist them and their workers during layoffs, plant closings, and downsizings.
- Provides National Dislocated Worker Grants (NDWGs) to states and local areas to assist communities recovering from emergencies, natural disasters, plant closings, mass layoffs, and significant unemployment among veterans.

Although the economy has been strengthened considerably, there are still some pockets of high unemployment and elevated levels of long-term unemployment. To support an American economy that provides opportunity for all, workers' skills must align with the needs of businesses and these skills must be readily adapted as business needs evolve. Recent data from the Bureau of Labor Statistics indicate that between now and 2022, occupations that typically

## DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

require some type of post-secondary education are projected to grow fastest with occupations classified as needing an associate's degree are projected to grow by 14 percent.<sup>1</sup>

As the need for skilled workers grows, state and local Workforce Development Boards (WDBs) are strategically positioned to support a job-driven approach to workforce development by sharing information on the requirements of local industries and small businesses and the skills available in the local labor market. Additionally, the DW program's performance measures indicate that employment and training services can be an effective tool for helping dislocated and unemployed workers gain new skills and find new jobs. For example, the DW program in PY 2014 had an Entered Employment Rate (EER) of 81.9 percent for participants that received training, an EER of 64.1 percent for participants who received core and intensive services only, and a 58.8 percent EER for individuals that received only core services.<sup>2</sup> The overall EER for the DW formula activities was 62.7 percent.

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

The Department believes the goal of the DW program should be to provide workers the skills needed to establish a career in a high-demand field. Under WIOA, credential attainment and interim skills gains are required performance indicators. The Department has placed a priority on industry-recognized credential attainment in training because it has been shown to provide individuals with the skills and recognition necessary to build a career that will lead to increased wages. One net impact study of the Workforce Investment Act's (WIA) services in 2005 indicated that participation in training resulted in a net increase in earnings of more than \$380 per quarter for employed WIA DW participants. This same study found that individuals receiving any WIA services increased employment by 10 percentage points.<sup>3</sup>

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

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<sup>1</sup> [http://www.bls.gov/news.release/archives/ecopro\\_12192013.pdf](http://www.bls.gov/news.release/archives/ecopro_12192013.pdf) Thursday, January 7, 2016, USDL-13-2393.

<sup>2</sup> Program Year 2014 WIA Annual Report.

<sup>3</sup> Hollenbeck, K., et al. *Net Impact Estimates for Services Provided through the Workforce Investment Act, 2005*. [http://wdr.doleta.gov/research/keyword.cfm?fuseaction=dsp\\_puListingDetails&pub\\_id=2367&mp=y&start=81&sort=7](http://wdr.doleta.gov/research/keyword.cfm?fuseaction=dsp_puListingDetails&pub_id=2367&mp=y&start=81&sort=7)

## **DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES**

- National Dislocated Worker Grants (NDWG), formerly National Emergency Grants, temporarily increase the capacity of state, local, and tribal governments to provide DW services in response to plant closings and mass layoffs. The reemployment services provided through regular NDWGs include career and training services similar to those that are made available to dislocated workers under the DW formula program, as well as the supportive services needed to enable eligible individuals to participate in training and reemployment services. These services help to prepare workers for good jobs in high-demand occupations and further the Department’s efforts to turn the unemployment system into a reemployment system.
- NDWGs create disaster relief employment for eligible individuals to assist with the clean-up and recovery efforts in areas declared eligible for public assistance.
- DW demonstration funds and technical assistance/training funds that are available through the National Reserve promote strategies to help individuals earn credentials that strengthen reemployment outcomes, increase quality career guidance and training services, target hard-to-serve and disadvantaged dislocated worker populations, and promote workforce system innovation in both the DW formula program and the Dislocated Worker Grants.
- Funds for the United States’ outlying areas to operate their employment and training programs for youth, adults and dislocated workers.

### **Five-Year Budget Activity History**

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2012	\$1,232,217	0
2013	\$1,167,976	0
2014	\$1,222,457	0
2015	\$1,236,389	0
2016	\$1,241,719	0

### **Funding Mechanism**

WIOA programs operate on a program year of July 1 through the following June 30. Funds appropriated in FY 2017 are available from July 1, 2017 through June 30, 2018, or PY 2017. The Department allots funding to the states based on a statutory formula. The states also allocate funds to local workforce areas by formula.

A portion of DW program funds are set-aside to the National Reserve which funds NDWGs, demonstrations, technical assistance and training activities, and DW programs in the United States’ outlying areas. Beginning in FY 2015 the availability of the DW National Reserve funds was extended by an additional three months, until September 30. Additionally, states may set-aside up to 25 percent of their state dislocated worker funds to provide rapid response activities for employers and workers.

# DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

## FY 2017

To provide dislocated workers with employment and training opportunities as well as maintain program infrastructure and integrity the Department is requesting \$1,334,205,000 in FY 2017 for the period of July 1, 2017 through June 30, 2018 (PY 2017), and through September 30, 2018 for the National Reserve. This is an increase of \$92,486,000 from the FY 2016 enacted budget, and aligns with the authorized funding levels in WIOA. This request maintains the Governor's Reserve at 15 percent. Funding the Governor's Reserve at 15 percent allows the states to effectively carry out statewide activities, including providing services and performing statewide projects, providing financial and programmatic oversight of the local workforce system, and undertaking comprehensive strategic planning with expanded partnerships, which supports the continuing implementation of WIOA. Building upon efforts in FY 2016, it also will help to promote overall efficiency of the public workforce system by allowing for technical assistance to local areas. These funds will provide employment and training services to 681,523 participants at an average cost per participant of \$1,957.68.

Of the requested amount, \$1,103,346,000 will be directed by formula to states to provide reemployment assistance and training to dislocated workers, as well as to operate state Rapid Response programs for employers and workers. The Department is in the process of developing targets for the new WIOA performance indicators.

### 1. Local Dislocated Worker Program:

Continuing the efforts noted in PY 2016, the Department will provide states with guidance and technical assistance to ensure funds are used to provide high-quality, data-driven job search assistance, career counseling, and training services to equip dislocated workers with in-demand skills that facilitate their reemployment and contribute to an American economy that creates opportunity for all by continuing to emphasize these key strategies:

- ***Increasing Skills and Facilitating Rapid Reattachment to the Labor Force.*** The Department will maximize the investment of DW resources by promoting training that leads to industry-recognized credential attainment, transitioning unemployed individuals to reemployment in jobs that offer career pathways, as well as gathering and providing labor market information that quickly connects workers to available jobs. On the Job Training (OJT) and other training options, such as customized training or Registered Apprenticeship, will provide flexibility to meet the needs of adult learners and workers in transition. OJT gives participants a chance to "earn and learn," developing occupational skills while earning a paycheck. Employers participating in OJT projects will receive partial reimbursement to offset the costs of training workers.
- ***Institutionalizing the Practice of Data-Driven Decision-Making.*** The Department will continue to emphasize the use of available evidence in decision-making. Building on the identification and documentation of evidence-based practice within the field of workforce development spurred by the Workforce Innovation Fund and other investments, the DW

## DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

program will help states and local areas use such data for continuous improvement to best meet the needs of both its job seeker and business customers.

- ***Providing Seamless Dual-Customer Service through American Job Centers.*** The public workforce system coordinates a range of federally-funded training programs and services through the American Job Center network that address the specific and varying needs of business and job seeker customers. These complementary programs make the public workforce system uniquely positioned to best address and adapt to the emerging needs of workers and businesses. The locally-administered DW program will continue to play a critical role in enhancing U.S. competitiveness and creating an economy that is built to last by connecting industries' needs for a skilled workforce to workers trained through the American Job Centers nationwide.
- ***Encourage the development and implementation of sector strategies.*** Sector strategies are a workforce development approach that has shown success in identifying skill needs and developing training programs for in-demand and growing occupations within an industry sector through direct involvement of business leaders within that sector. Involvement of industry ensures that workforce development funds are used most efficiently in developing the workforce needed to allow industry sectors to grow and prosper in a rapidly changing economy. Sector-focused programs aim to connect dislocated workers to employment opportunities to address the unmet hiring needs of local employers.

### 2. Statewide Rapid Response Program:

A portion of the DW formula request will be used by states to operate the Rapid Response program. Rapid Response will continue to provide customized, economically valuable solutions for businesses in transition and provide timely, critical services to workers affected by layoffs across the country. Through guidance and technical assistance, the Department will support state Rapid Response programs to focus on the following priorities:

- ***Developing effective layoff deterrence programs.*** Layoff deterrence includes the strategies and activities that are designed to prevent, or minimize the duration of, unemployment. Rapid Response permits a wide range of appropriate layoff deterrence activities, including: Providing assistance to employers in managing reductions-in-force, including early identification of firms at risk of layoffs, assessment of the needs of and options for at-risk firms, and the delivery of services to address these needs.

Funding feasibility studies to determine if a company's operations may be sustained through a buyout or other means to avoid or minimize layoffs; Developing and managing incumbent worker training programs; Partnering or contracting with business-focused organizations to assess risks to companies, propose strategies to address those risks, implement services, and measure impacts of services delivered; and conducting analyses of the suppliers of an affected company to assess their risks and vulnerabilities from a potential closing or shift in production of their major customer.

## DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

- ***Establishing and maintaining relationships with the business community.*** Ongoing engagement, partnership, and relationship-building activities with businesses in the community, in order to create an environment for successful layoff deterrence efforts and to enable the provision of assistance to dislocated workers in obtaining reemployment as soon as possible.
- ***Ensuring dislocated workers are able to return to work as quickly as possible.*** Rapid Response ensures immediate and on-site contact with the employer, affected workers or their representatives, and the local community, and provides information and access to unemployment compensation benefits and programs, such as Short-Time Compensation, comprehensive American Job Center services, and employment and training activities, including information on the Trade Adjustment Assistance program, Pell Grants, the GI Bill, and other resources. Rapid Response may also deliver other necessary services and resources including workshops and classes, use of worker transition centers, and job fairs, to support reemployment efforts for affected workers.
- ***Developing innovative approaches to meeting the needs of businesses and workers.*** WIOA offers significant flexibility with regard to the use of Rapid Response funds. States or designated Rapid Response providers may, in order to conduct layoff deterrence activities or to prepare for and respond to dislocation events, devise additional strategies or conduct activities that are intended to minimize the negative impacts of dislocation on workers, businesses, and communities and to ensure that workers impacted by layoffs are able to be reemployed as quickly as possible.

### 3. Dislocated Worker National Reserve Account:

The request for the Dislocated Worker National Reserve is \$230,859,000. The primary use of these funds will be Dislocated Worker Grants (DWGs) that serve dislocated workers impacted by large layoffs and natural or other disasters of national significance. These critical resources supplement state WIOA formula programs when areas are unable to absorb the unexpected impacts of mass dislocations. Unemployed workers will benefit from DWG projects designed to provide the reemployment services needed to enable them to quickly return to the workforce, and employers will benefit from workers that are equipped with skills that are in-demand. Training resources will target job-driven training strategies, including training in high-demand occupations and work-based training. WIOA has greatly expanded eligibility for DWG participation, particularly to address areas with above-average numbers of unemployed veterans in need of services, as well as for declared emergency and disaster events, which is likely to result in increased requests for funds from states and other applicants.

\$20,000,000 of the National Reserve will be set aside to support continued operation of the multi-agency Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) Initiative, which was launched in PY 2015, and continued in PY 2016, to support regions and workers impacted by layoffs and closures in coal mines and coal-fired power plants.

## **DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES**

The National Reserve funds also will be used to provide technical assistance and training to the workforce system and pilot demonstration projects that identify service strategies for assisting dislocated workers. This request includes appropriations language that will expand the allowable use of the National Reserve technical assistance and training funds to include activities that support improved service delivery to participants currently in the WIOA Adult program and continues language to provide such assistance to new entrants to the labor force in the WIOA Youth program. This language provides flexibility to pursue greater efficiency by allowing a more uniform approach to responding service delivery challenges, which are frequently shared across WIOA programs.

### **FY 2016**

To provide dislocated workers with employment and training opportunities as well as maintain program infrastructure and integrity, the Department received \$1,241,719,000 in FY 2016 for the period of July 1, 2016 through June 30, 2017 (PY 2016), continuing funding at the level of FY 2015. The Governor's Reserve was also restored to the 15 percent level, and provides additional funding for grants for dislocated workers impacted by coal layoffs, and a small increase in funding for local formula activities. Funding the Governor's Reserve at 15 percent provides for a level of statewide activities that will allow the state to provide services and perform statewide projects, ensure financial and programmatic oversight of the local workforce system and comprehensive planning with expanded partnerships, which support the full transition to WIOA. Building upon efforts in FY 2015, it also will help to promote overall efficiency of the public workforce system by allowing for technical assistance to local areas and updates to performance. Of the requested amount, \$1,020,860,000 is directed by formula to states to provide rapid response activities, reemployment assistance, and training services to an estimated 634,218 dislocated workers. The Department is in the process of developing targets for the new WIOA performance indicators.

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

The enacted level for the Dislocated Worker National Reserve is \$220,859,000. Unemployed workers will benefit from NDWG projects designed to provide the reemployment services needed to enable them to quickly return to the workforce, and employers will benefit from workers that are equipped with skills that are in-demand. Training resources will target job-driven training strategies, including training in high-demand occupations and work-based training.

The FY 2016 enacted level for the National Reserves includes \$19,000,000 to allow the Department to ensure reemployment assistance and training services are provided to workers

## **DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES**

dislocated from coal mines and coal fired power plants, as part of the President's POWER+ Plan. These layoffs continue to have a major impact on coal communities, and the Department is committed to supporting a regional approach that aligns with other Federal initiatives to address ongoing coal industry layoffs and provide the needed assistance to the workers and communities impacted by the energy transition.

The NDWGs also will be used to provide technical assistance and training to the workforce system and pilot demonstration projects that identify service strategies for assisting dislocated workers, new entrants to the labor force, and incumbent workers.

### **FY 2015**

The FY 2015 appropriation for the period of July 1, 2015 through June 30, 2016 was \$1,236,389,000 to provide dislocated workers with employment and training opportunities as well as the ability to maintain program infrastructure and integrity. Of the requested amount, \$1,015,530,000 will be directed by formula to states to provide reemployment assistance and training to an estimated 631,558 dislocated workers. Performance targets for these grants include an Entered Employment Rate of 62.8 percent, an Employment Retention Rate of 84.6 percent, and Six Month Average Earnings of \$16,998. The National Dislocated Worker Grants program projects an Entered Employment Rate of 76.5 percent, an Employment Retention Rate of 88.6 percent, and Six Month Average Earnings of \$19,321.

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

The balance of the appropriation, \$220,859,000, was maintained for the National Dislocated Worker Grant. This amount funded NDWGs to serve dislocated workers impacted by large layoffs and natural disasters. These critical resources supplemented state WIOA formula programs unable to absorb the unexpected impacts of mass dislocations. For example, during PY 2015, funds were provided to Colorado to continue to provide temporary employment for eligible individuals to assist with clean-up and recovery efforts following the severe storms, flooding, landslides, and mudslides that occurred in Colorado on September 11, 2013. In addition, \$20,000,000 of the National Reserve was made available to States over three program years to be used to support the POWER+ Plan, providing reemployment assistance and training services to workers dislocated from coal mines and coal fired power plants.

The National Reserve was also used to provide technical assistance and training to the workforce system, including technical assistance for WIOA implementation, and pilot demonstration projects that identify service strategies for assisting dislocated workers.

## DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

<b>DETAILED WORKLOAD AND PERFORMANCE</b>							
		<b>PY 2014 Enacted</b>		<b>PY 2015 Enacted</b>		<b>PY 2016 Enacted</b>	<b>PY 2017 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Dislocated Workers Employment and Training Activities</b>							
<b>Strategic Goal 1 - Prepare workers for better jobs</b>							
<b>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</b>							
ETA-WIADW-01	Entered Employment Rate/Employment in the 2nd quarter after exit (WIA Dislocated Worker) <sup>4</sup>	62.3%	62.7%	62.8%	--	N/A	N/A
ETA-WIADW-02	Employment Retention Rate/Employment in the 4th quarter after exit (WIA Dislocated Worker) <sup>5</sup>	84.6%	85.0%	84.6% [r]	--	N/A	N/A
ETA-WIADW-03	Six Month Average Earnings/Median Earnings in the 2nd quarter after exit (WIA Dislocated Worker) <sup>6</sup>	\$16,694	\$16,708[r]	\$16,998	--	N/A	N/A
ETA-WIOA-DW-01	Employment Rate (employment in the second quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA-DW-02	Employment Retention Rate (employment in the fourth quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA-DW-03	Median Earnings (median earnings of those employed in the second quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD

<sup>4</sup> Beginning in PY 2016, *Entered Employment Rate* will be discontinued. The new WIOA measure will be calculated based on the percent employed in the 2<sup>nd</sup> quarter after program exit.

<sup>5</sup> Beginning in PY 2016, *Employment Retention Rate* will be discontinued. The new WIOA measure will be calculated based on the percent employed in the 4<sup>th</sup> quarter after program exit.

<sup>6</sup> Beginning in PY 2016, *Six Month Average Earnings* will be discontinued. The new WIOA measure will be Median Earnings of those employed in the 2<sup>nd</sup> quarter after program exit.

## DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

<b>DETAILED WORKLOAD AND PERFORMANCE</b>							
		<b>PY 2014 Enacted</b>		<b>PY 2015 Enacted</b>		<b>PY 2016 Enacted</b>	<b>PY 2017 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
ETA-WIOA-DW-04	Credential Attainment Rate (Percent of participants who earn a diploma, GED, or certificate within one year after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA-DW-05	Education Attainment Rate (Percent of participants who achieve literacy or numeracy gains of one adult basic education level)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA-DW-06	Effectiveness in Serving Employers	N/A	N/A	N/A	N/A	TBD	TBD
	Participants Served (WIA Dislocated Worker)	1,012,647[p]	624,442	631,558[p]	--	634,218[p]	681,523[p]
	Cost Per Participant Served (WIA Dislocated Worker)	\$1,207.19[e]	\$1,957.68	\$1,957.68[e]	--	\$1,957.68[e]	\$1,957.68
ETA-WIANDWG-01	Entered Employment Rate/Employment in the 2nd quarter after exit (WIA National Dislocated Worker Grants) <sup>7</sup>	76.0%	76.9%	76.5%	--	N/A	N/A
ETA-WIANDWG-02	Employment Retention Rate/Employment in the 4th quarter after exit (WIA National Dislocated Worker Grants) <sup>8</sup>	88.6%	89.60%[r]	88.6%	--	N/A	N/A
ETA-WIANDWG-03	Six Month Average Earnings/Median Earnings in the 2nd quarter after exit (WIA National Dislocated Worker Grants) <sup>9</sup>	\$18,979	\$21,146	\$19,321	--	N/A	N/A

<sup>7</sup> Beginning in PY 2016, Entered Employment Rate will be calculated based on the 2<sup>nd</sup> quarter after program exit instead of 1<sup>st</sup> quarter after program exit.

<sup>8</sup> Beginning in PY 2016, Employment Retention Rate will be calculated based on the 4<sup>th</sup> quarter after program exit instead of the 3<sup>rd</sup> quarter after program exit.

<sup>9</sup> Beginning in PY 2016, Six Month Average Earnings will no longer be a measure and will be replaced by Median Earnings.

## DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

<b>DETAILED WORKLOAD AND PERFORMANCE</b>							
		<b>PY 2014 Enacted</b>		<b>PY 2015 Enacted</b>		<b>PY 2016 Enacted</b>	<b>PY 2017 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
ETA-WIOA-ONR-01	Employment Rate (employment in the second quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA-ONR-02	Employment Retention Rate (employment in the fourth quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA-ONR-03	Median Earnings (median earnings of those employed in the second quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA-ONR-04	Credential Attainment Rate (Percent of participants who earn a diploma, GED, or certificate within one year after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA-ONR-05	Education Attainment Rate (Percent of participants who achieve literacy or numeracy gains of one adult basic education level)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA-ONR-06	Effectiveness in Serving Employers	N/A	N/A	N/A	N/A	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

Beginning in PY 2016, the common measures are revised based on WIOA authorization for six key common performance indicators that are consistent across populations served. These six indicators are: 1) 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 toward credential attainment/employment; and 6) effectiveness in serving employers. The targets and results for the six new performance indicators have not been included in the budget because of changes WIOA made to the methodology for calculating the performance indicators. To accurately determine targets and results, the Department is required to collect new baseline data in PY 2016. Based on those data, targets will need to be established in subsequent years.

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

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

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

Additional data are collected on the intensity of participant services based on the number served, exiters, and those with positive outcomes for entered employment. These outputs help determine whether states are implementing strategies that will help meet their outcome goals. In addition, the Department will conduct evaluations of WIOA formula programs using the six WIOA common performance indicators that will evaluate the effectiveness of services for various subpopulations and seek to improve program performance. The results of such evaluation and research are used to revise and update program strategies regularly insight on the impact and cost effectiveness of various career and training services for participants in the WIOA program.

**DISLOCATED WORKER EMPLOYMENT AND TRAINING  
ACTIVITIES**

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
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	1,236,389	1,241,719	1,334,205	92,486
	<b>Total</b>	<b>1,236,389</b>	<b>1,241,719</b>	<b>1,334,205</b>	<b>92,486</b>

# DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

## CHANGES IN FY 2017 (Dollars in Thousands)

**Activity Changes**

**Built-In**

To Provide For:

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

**Built-Ins Subtotal** **\$0**

**Net Program** **\$92,486**  
**Direct FTE** **0**

	Estimate	FTE
<b>Base</b>	<b>\$1,241,719</b>	<b>0</b>
<b>Program Increase</b>	<b>\$92,486</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>

## INDIAN AND NATIVE AMERICANS PROGRAM

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
<b>Activity Appropriation</b>	<b>46,082</b>	<b>50,000</b>	<b>52,000</b>	<b>2,000</b>
FTE	0	0	0	0

### **Introduction**

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

American Indians, Alaska Natives, and Native Hawaiians are the most impoverished population in the United States, with acute unemployment rates in rural and isolated reservations, communities, and villages. More than a quarter (28.9 percent) of American Indian and Native Americans live in poverty, and these individuals are three times as likely to receive public assistance compared to the total population.<sup>1</sup> About 21 percent of American Indians and Alaska Natives ages 25 and over have less than a high school diploma, compared to 13.4 percent for the total US population.<sup>2</sup>

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

<sup>1</sup> 2013 American Community Survey for the American Indian and Alaska Native alone population

<sup>2</sup> 2013 American Community Survey for the American Indian and Alaska Native alone population.

## INDIAN AND NATIVE AMERICANS PROGRAM

often many miles away. These distances and the lack of transportation create barriers to Native Americans accessing the employment and training services at off-reservation American Job Centers.

The WIOA Section 166 INA program provides services to adults through a network of 178 grantees. These grantees provide a range of activities that support the program goals including, but not limited to: assistance with tuition and books; resume writing and interviewing; job referrals; assistance with work-related expenses such as necessary tools or uniforms; transportation assistance; payment for professional and licensing fees; and work-based learning such as on-the-job training. WIOA continues to support the Department's consultation with the Native American Employment and Training Council as it plans grant funding opportunities, including strategies and activities to be undertaken by grantees, performance accountability and reporting, and technical assistance. The program emphasizes training in jobs that are in high demand in the local economy as well as high demand jobs available outside the local community for individuals that are willing to relocate to obtain employment. As part of this effort, the Department will encourage and provide assistance to grantees that offer an opportunity to Native Americans to acquire the entrepreneurial skills necessary for successful self-employment. Supplemental youth funding is also awarded to help low-income Native American youth and Native Hawaiian youth, between the ages of 14 and 24, acquire the educational and occupational skills needed to achieve academic and employment success and transition to careers and productive adulthood.

### **Five-Year Budget Activity History**

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2012	\$47,562	0
2013	\$45,082	0
2014	\$46,082	0
2015	\$46,082	0
2016	\$50,000	0

### **Funding Mechanism**

WIOA programs operate on a Program Year (PY) calendar. In FY 2017, the Department is proposing an appropriations language change to this budget to move the obligation period from July 1, 2017 through June 30, 2018 to April 1, 2017 through June 30, 2018. Therefore, PY 2017 funds appropriated in FY 2017 will be available from April 1, 2017 through June 30, 2018. WIOA Section 166 awards grant funding to Indian tribes, Alaska Natives, Native Hawaiians, and tribal non-profit organizations on a competitive basis; however, grantees selected from this process are funded through a statutory formula defined in WIOA. A grant competition is conducted every four years to select American Indian, Alaska Native, and Native Hawaiian entities to provide employment and training services to unemployed and low income American Indians, Alaska Natives, and Native Hawaiians.

## INDIAN AND NATIVE AMERICANS PROGRAM

### FY 2017

The Department is requesting \$52,000,000 in FY 2017 for the period of April 1, 2017 through June 30, 2018 (PY 2017), which is a \$2,000,000 increase over the FY 2016 (PY 2016) enacted level of \$50,000,000. At this funding level, the program will serve approximately 35,837 unemployed and under-skilled Indian, Alaska Native, and Native Hawaiian adults.

The INA program will continue to develop policies and implement strategies that support economic growth in rural reservations and also provide services to American Indian, Alaska Native and Native Hawaiians living in urban areas. The program will continue to engage employers to address their needs, and promote entrepreneurship where possible. In addition, the INA program will focus on improving administrative efficiencies to lower overhead costs and increase the number of individuals who can be served while improving the quality of services provided through the program. The Department will continue to work with Section 166 grantees to help more Native Americans access and complete post-secondary education. In PY 2017, the third year of WIOA implementation, the INA program will focus technical assistance on:

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

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

In addition, the INA program will focus on ways to improve educational outcomes and life outcomes for Native youth by investing \$2,000,000 for a pilot to serve youth who do not live on reservations. The pilot will focus on providing training and employment services to these youth in a year-round setting, as opposed to the traditional summer-focused model traditionally utilized by INA grantees. Lessons learned from this pilot will be shared across the government to help improve services to Native American youth.

Additionally, in FY 2017 the Department is proposing to change the obligation period from July 1, 2017 through June 30, 2018 to April 1, 2017 through June 30, 2018. The current obligation period that starts July 1 coincides with the beginning of the grantees' performance period for these programs. In practice, that means recipients usually experience a delay of approximately two weeks before the Department is able to complete the funding of these awards. This issue is

## **INDIAN AND NATIVE AMERICANS PROGRAM**

compounded by a push, in recent years, to encourage recipients to limit carry-in of grant funds. This carry-in policy and the unavoidable delays to grant awards puts an undue burden on small recipients that do not have cash reserves to cover expenses. As a result, each year, we have participants who experience a lapse in services.

Beginning the obligation period for these program funds April 1, instead of July 1, will allow the Department sufficient time to complete the allotments and make awards well in advance of the beginning of the recipients' period of performance. This proposal is budget neutral and does not alter the grantees' period of performance, which will remain on the program year cycle, per the statute. This change will greatly improve services to our recipients and, most importantly, will ensure continuity of services to our program participants.

### **FY 2016**

The Department received \$50,000,000 in FY 2016 for the period of July 1, 2016 through June 30, 2017 (PY 2016). At this funding level, the program will serve approximately 34,458 unemployed and under-skilled Indian, Alaska Native, and Native Hawaiian adults. Under WIA, the Section 166 INA program had three primary performance measures - entered employment, employment retention and average earnings. While WIOA retains an employment measure, it now measures employment in the second quarter after exit, and adds a second employment measure for employment in the fourth quarter after exit. It changes the average earnings measure to median earnings of those employed in the second quarter after exit. In addition to these performance indicators, WIOA includes three other performance indicators: credential attainment, measurable skill gains, and effectiveness in serving employers. As a result of these changes, the Department will develop baseline data using the new definitions in order to establish future performance targets.

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

### **FY 2015**

The FY 2015 (PY 2015) appropriation was \$46,082,000 to meet the employment and training needs of the Indian, Alaska Natives, and Native Hawaiian population for the period of July 1, 2015 through June 30, 2016. At this funding level, the program is serving approximately 31,748 unemployed and under-skilled Indian, Alaska Native, and Native Hawaiian adults.

PY 2015 is the first year of WIOA, and the Department will continue to provide training and technical assistance to INA grantees on key changes in WIOA, including participation in the

## **INDIAN AND NATIVE AMERICANS PROGRAM**

American Job Centers, emphasis on increased credential attainment and evidence-based decision making. The Department initiated webinars and a town hall meeting with INA grantees and other stakeholders to prepare them for the transition from WIA to WIOA, including the conversion of data reporting and management systems, program policies, and practices.

The Department will continue to build upon key priorities and initiatives that began in PY 2015 which are consistent with the WIOA requirements such as career pathways and industry-recognized credential attainment focused in in-demand industries and occupations. The INA program also will continue to develop policies and implement strategies that focus on strengthening partnerships to develop economies in rural reservation areas while providing services to American Indian, Alaska Native and Native Hawaiians living in urban areas. It will aim to improve administrative efficiencies and increase participant access to post-secondary education opportunities.

## INDIAN AND NATIVE AMERICANS PROGRAM

<b>DETAILED WORKLOAD AND PERFORMANCE</b>							
		<b>PY 2014 Enacted</b>		<b>PY 2015 Enacted</b>		<b>PY 2016 Enacted</b>	<b>PY 2017 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Indian and Native American Programs</b>							
<b>Strategic Goal 1 - Prepare workers for better jobs</b>							
<b>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</b>							
ETA-INAP-01	Entered Employment Rate/Employment in the 2nd quarter after exit (Indian and Native American Program) <sup>1</sup>	64.9%	65.7%	65.5%	TBD	N/A	N/A
ETA-INAP-02	Employment Retention Rate/Employment in the 4th quarter after exit (Indian and Native American Program) <sup>2</sup>	78.2%	77.4% [r]	78.2%	TBD	N/A	N/A
ETA-INAP-03	Six Month Average Earnings/Median Earning in the 2nd quarter after exit (Indian and Native American Program) <sup>3</sup>	\$10,183	\$9,476	\$10,377	TBD	N/A	N/A
ETA-INAP-WIOA-01	Employment Rate (employment in the second quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-INAP-WIOA-02	Employment Retention Rate (employment in the fourth quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-INAP-WIOA-03	Median Earnings (median earnings of those employed in the second quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD

<sup>1</sup> Beginning in PY 2016, Entered Employment Rate will be discontinued. The new WIOA measure will be calculated based on the percent employed in the 2<sup>nd</sup> quarter after program exit.

<sup>2</sup> Beginning in PY 2016, Employment Retention Rate will be discontinued. The new WIOA measure will be calculated based on the percent employed in the 4<sup>th</sup> quarter after program exit.

<sup>3</sup> Beginning in PY 2016, Six Month Average Earnings will be discontinued. The new WIOA measure will be Median Earnings of those employed in the 2<sup>nd</sup> quarter after program exit.

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<b>DETAILED WORKLOAD AND PERFORMANCE</b>							
		<b>PY 2014 Enacted</b>		<b>PY 2015 Enacted</b>		<b>PY 2016 Enacted</b>	<b>PY 2017 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
ETA-INAP- WIOA-04	Credential Attainment Rate (Percent of participants who earn a diploma, GED, or certificate within one year after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-INAP- WIOA-05	Education Attainment Rate (Percent of participants who achieve literacy or numeracy gains of one adult basic education level)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-INAP- WIOA-06	Effectiveness in Serving Employers	N/A	N/A	N/A	N/A	TBD	TBD
Number of Participants Served (Indian and Native American Program)		28,047	31,765	31,748	TBD	34,458	35,837
Cost Per Participant Served (Indian and Native American Program)		\$1,643.00	\$1,451.00	\$1,451.00	TBD	\$1,451.00	\$1,451.00

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

# INDIAN AND NATIVE AMERICANS PROGRAM

## Workload Summary

WIOA authorizes six common performance indicators consistent across populations served. These six indicators are: 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 toward credential attainment/employment; and 6) effectiveness in serving employers. The targets and results for the six performance indicators have not been included in the budget because of slight changes WIOA made to the methodology for calculating the measures. To accurately determine targets and results, the Department will collect new baseline data in PY 2016. Based on those data, targets will need to be established in subsequent years.

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

To help grantees implement these strategies, the Department will continue the authority to use up to one percent of the appropriation for technical assistance. These funds will be set-aside for technical assistance activities based on the training needs of the INA community as determined by the Division of Indian and Native American Programs (DINAP) and in consultation with the Native American Employment and Training Council which will support projects such as, but not limited to: (a) improving grantees' performance reporting and enhancing the program reporting and management system to meet WIOA requirements; (b) increasing credential attainment; (c) providing supporting documentation about the impact the programs have on lives of individual Indians and Native Americans who participate in WIOA programs; and (d) partnering with other Federal agencies to help American Indian, Alaska Native, and Native Hawaiian communities leverage the full range of federal resources available to support their employment and training needs and improve postsecondary and employment outcomes, including self-employment. To accomplish the latter projects will require strengthening connections with state and local workforce development boards, employers, economic development entities, and community colleges and other training providers.

## INDIAN AND NATIVE AMERICANS PROGRAM

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
25.2	Other services from non-Federal sources	0	0	0	0
25.7	Operation and maintenance of equipment	0	0	0	0
41.0	Grants, subsidies, and contributions	46,082	50,000	52,000	2,000
	<b>Total</b>	<b>46,082</b>	<b>50,000</b>	<b>52,000</b>	<b>2,000</b>

# INDIAN AND NATIVE AMERICANS PROGRAM

## CHANGES IN FY 2017

(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** **\$2,000**

**Direct FTE** **0**

	Estimate	FTE
<b>Base</b>	<b>\$50,000</b>	<b>0</b>
<b>Program Increase</b>	<b>\$2,000</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>

## MIGRANT AND SEASONAL FARMWORKERS

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
<b>Activity Appropriation</b>	<b>81,896</b>	<b>81,896</b>	<b>81,896</b>	<b>0</b>
FTE	0	0	0	0

### **Introduction**

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

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

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

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

## MIGRANT AND SEASONAL FARMWORKERS

employers do not meet requirements for coverage related to the number of employees or amount of wages paid.

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

### Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2012	\$84,291	0
2013	\$79,897	0
2014	\$81,896	0
2015	\$81,896	0
2016	\$81,896	0

### Funding Mechanism

WIOA programs operate on a Program Year (PY) calendar. In FY 2017, the Department is proposing to move the obligation period from July 1, 2017 through June 30, 2018 to April 1, 2017 through June 30, 2018. Therefore, PY 2017 funds appropriated in FY 2017 will be available from April 1, 2017 through June 30, 2018. WIOA requires the Department to conduct a grants competition every four years to select the community organizations and state agencies that will operate the NFJP and the grant competition is performed through a Funding Opportunity Announcement (FOA) for grant applications, typically for employment and training grants and for housing grants. The competition is open to state and local agencies, state and local workforce investment boards, faith-based and community organizations, institutions of higher education, and other entities that have the capacity to operate a diversified program of workforce services. In non-competition program years, each grant recipient is required to submit an annual 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 via formula. The formula estimates the numbers of eligible farmworkers in each state by drawing data from the Census, the Agricultural Census, the NAWS, and the Farm Labor Survey. There is at least one grant organization in every state and Puerto Rico with the following exceptions: Alaska and Washington, DC, do not have a grant due to the very small relative share of agricultural employment; Connecticut and Rhode Island are a combined state service area; and Maryland and

## MIGRANT AND SEASONAL FARMWORKERS

Delaware 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 grants funds are allocated based on awarded proposals received through the FOA process.

### **FY 2017**

In PY 2017, NFJP will be in its third year of WIOA implementation, and the second year using the performance indicators defined in the WIOA regulations that will be finalized in early 2016. Of this amount, \$75,885,000 will be allocated for formula grants for employment and training services; \$5,517,000 for permanent and temporary housing; and \$494,000 for other purposes, including technical assistance to grantees.

With these funds, the program will improve the lives of farmworkers and their families by:

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

These funds will serve over 20,676 Migrant and Seasonal Farmworkers (MSFWs) with employment services, skills training, and supportive services. In PY 2016, NFJP will be measured by common WIOA performance indicators<sup>1</sup>:

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

Additionally, in FY 2017 the Department is proposing to change the obligation period from July 1, 2017 through June 30, 2018 to April 1, 2017 through June 30, 2018. The current obligation period that starts July 1 coincides with the beginning of the grantees' performance period for these programs. In practice, that means recipients usually experience a delay of approximately two weeks before the Department is able to complete the funding of these awards. This issue is compounded by a push, in recent years, to encourage recipients to limit carry-in of grant funds. This carry-in policy and the unavoidable delays to grant awards puts an undue burden on small

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<sup>1</sup> For individuals enrolled as NFJP youth participants, percent employed indicators also include those who entered into an education or training program, or employment.

## **MIGRANT AND SEASONAL FARMWORKERS**

recipients that do not have cash reserves to cover expenses. As a result, each year, we have participants that experience a lapse in services.

Beginning the obligation period for these program funds April 1, instead of July 1, will allow the Department sufficient time to complete the allotments and make awards well in advance of the beginning of the recipients' period of performance. This proposal is budget neutral and does not alter the grantees' period of performance, which will remain on the program year, per the statute. This change will greatly improve services to our recipients and, most importantly, will ensure continuity of services to our program participants.

### **FY 2016**

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

In PY 2016, NFJP will be in its second year of WIOA implementation, and the first year using the performance indicators defined in the WIOA regulations that will be finalized in early 2016. In early PY 2016, the Department will hold a grant competition for NFJP. The competition will be conducted by issuing a Funding Opportunity Announcement and new NFJP employment and training and housing grants will be awarded. The Department will provide orientation for grantees new to the program in this fiscal year. These funds will serve 20,676 MSFWs with employment services, skills training, and supportive services.

### **FY 2015**

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

These funds serve over 20,676 MSFWs with employment services, skills training, and supportive services. In PY 2015, the Department is focusing on the implementation of WIOA including:

- Better aligning the program with other strategies developed for the public workforce system to achieve integration of services for farmworkers;
- Supporting the NFJP grantee organizations through the development of WIOA operations guidance, webinars, and other technical assistance that enabled the program to operate efficiently and effectively in the first year of WIOA;
- Developing partnerships with other federal agencies serving farmworkers to better align and leverage federal resources available to support this population; and
- Enhancing program management, accountability, and reporting.

## MIGRANT AND SEASONAL FARMWORKERS

<b>DETAILED WORKLOAD AND PERFORMANCE</b>							
		<b>PY 2014 Enacted</b>		<b>PY 2015 Enacted</b>		<b>PY 2016 Enacted</b>	<b>PY 2017 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Migrant and Seasonal Farmworkers</b>							
<b>Strategic Goal 1 - Prepare workers for better jobs</b>							
<b>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</b>							
ETA-NFJP-01	Entered Employment Rate/Employment in the 2nd quarter after exit (National Farmworker Jobs Program) <sup>1</sup>	86.7%	88.5%	86.10%	TBD	N/A	N/A
ETA-NFJP-02	Employment Retention Rate/Employment in the 4th quarter after exit (National Farmworker Jobs Program) <sup>2</sup>	83.2%	86.4%[r]	83.2%	TBD	N/A	N/A
ETA-NFJP-03	Six Month Average Earnings/Median Earning in the 2nd quarter after exit (National Farmworker Jobs Program) <sup>3</sup>	\$10,686	\$11,502	\$10,686	TBD	N/A	N/A
ETA-WIOA-NFJP-01	Employment Rate (employment in the second quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA-NFJP-02	Employment Retention Rate (employment in the fourth quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA-NFJP-03	Median Earnings (median earnings of those employed in the second quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD

<sup>1</sup> Beginning in PY 2016, Entered Employment Rate will be discontinued. The new WIOA measure will be calculated based on the percent employed in the 2<sup>nd</sup> quarter after program exit.

<sup>2</sup> Beginning in PY 2016, Employment Retention Rate will be discontinued. The new WIOA measure will be calculated based on the percent employed in the 4<sup>th</sup> quarter after program exit.

<sup>3</sup> Beginning in PY 2016, Six Month Average Earnings will be discontinued. The new WIOA measure will be Median Earnings of those employed in the 2<sup>nd</sup> quarter after program exit.

## MIGRANT AND SEASONAL FARMWORKERS

<b>DETAILED WORKLOAD AND PERFORMANCE</b>							
		<b>PY 2014 Enacted</b>		<b>PY 2015 Enacted</b>		<b>PY 2016 Enacted</b>	<b>PY 2017 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
ETA-WIOA- NFJP-04	Credential Attainment Rate (Percent of participants who earn a diploma, GED, or certificate within one year after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA- NFJP-05	Education Attainment Rate (Percent of participants who achieve literacy or numeracy gains of one adult basic education level)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA- NFJP-06	Effectiveness in Serving Employers	N/A	N/A	N/A	N/A	TBD	TBD
	Number of Participants Served (National Farmworker Jobs Program)	20,676	20,506	20,676[p]	TBD	20,676[p]	20,676[p]
	Cost Per Participant Served (National Farmworker Jobs Program)	\$3,961.00	\$3,993.75	\$3,961.00	TBD	\$3,961.00	\$3,961.00

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

## **MIGRANT AND SEASONAL FARMWORKERS**

### **Workload and Performance Narrative**

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

Beginning in PY 2016, the common performance indicators are revised based on WIOA authorization for six key performance indicators that are consistent across populations served. These six indicators are: 1) 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 toward credential attainment/employment; and 6) effectiveness in serving employers. The targets and results for the six new performance indicators have not been included in the workload performance table because of changes WIOA made to the methodology for calculating the indicators. To accurately determine targets and results, the Department is required to collect new baseline data in PY 2016. Based on those data, targets will need to be established in subsequent years.

In addition to outcomes, the Department also measures workload in terms of the number of participants served by the program. In FY 2017, the program projects serving 20,676 participants at an average cost of \$3,961 per participant. The projected number of participants for FY 2017 is derived by dividing the FY 2017 funding level for NFJP formula grants by the average cost per participant for the last three program years. The Department also monitors grantee performance regularly through Federal Project Officers in regional offices to ensure grantees are on target to meet performance goals. Such monitoring also informs the design and delivery of technical assistance efforts to help grantees improve performance.

## MIGRANT AND SEASONAL FARMWORKERS

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
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	81,896	81,896	81,896	0
	<b>Total</b>	<b>81,896</b>	<b>81,896</b>	<b>81,896</b>	<b>0</b>

# MIGRANT AND SEASONAL FARMWORKERS

## CHANGES IN FY 2017

(Dollars in Thousands)

**Activity Changes**

**Built-In**

To Provide For:

Costs of pay adjustments	\$0
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Other services from non-Federal sources	0
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Grants, subsidies, and contributions	0
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<b>Built-Ins Subtotal</b>	<b>\$0</b>
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<b>Net Program</b>	<b>\$0</b>
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Direct FTE	0
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	Estimate	FTE
<b>Base</b>	<b>\$81,896</b>	<b>0</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>



## TECHNICAL ASSISTANCE

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
<b>Activity Appropriation</b>	<b>0</b>	<b>3,232</b>	<b>3,232</b>	<b>0</b>
FTE	0	0	0	0

### **Introduction**

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

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

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

### **Five-Year Budget Activity History**

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2012	\$0	0
2013	\$0	0
2014	\$0	0
2015	\$0	0
2016	\$3,232	0

## TECHNICAL ASSISTANCE

### **Funding Mechanism**

WIOA programs operate on a program year of July 1 through the following June 30. Funds appropriated in FY 2017 are available from July 1, 2017 through June 30, 2018, or PY 2017. The Department will obligate these funds via grants and/or contracts to provide technical assistance to states, local areas, and other technical assistance providers.

### **FY 2017**

The Department is requesting \$3,232,000, for the period of July 1, 2017 through June 30, 2018 (PY 2017), which will allow the Department to be responsive to the needs of the system and assist states in the third year of WIOA implementation. The Department's ability to successfully support WIOA through the early formative years largely depends on its ability to reach states, identify and address barriers to state implementation, and provide consistent and quality training and coaching. Investing in technical assistance is a cost-effective way to ensure consistency in state and local adherence to statute and regulations, and to more rapidly identify and transfer knowledge about promising practices emerging in states and local areas. An investment in technical assistance for WIOA programs will result in faster adoption of critical policy priorities, such as increased credential attainment and skills gain; faster and more wide-spread adoption of performance-enhancing and cost-effective innovations in service delivery; support of integrated technology solutions; improved performance outcomes; increased reporting accuracy; and faster identification of grants-management issues.

PY 2017 technical assistance will build upon efforts provided through WIOA technical assistance funds received in PY 2016. The Department will assess the first two years of WIOA implementation in order to determine the priority areas for technical assistance in 2017. Technical assistance will continue to include a strong focus on strategic planning, resource and programmatic alignment, and accountability and transparency. Activities will focus on training staff, designing improved American job center systems, enhancing assessments and access to labor market information and developing other tools/resources in priority areas identified through workforce system stakeholder input and the analysis of the complexities of implementing certain provisions, such as:

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

## **TECHNICAL ASSISTANCE**

youth. This is critical to achieving WIOA's vision of reaching out to youth and guiding them successfully to complete services that lead to advanced training, including apprenticeship and employment.

- Implementing effective and robust business engagement strategies and activities that support the President's Job-Driven Training Vision.
- Using integrated reporting systems to inform customer choice and data-driven performance and program management. This includes supporting the integration of intake, case management, and performance reporting systems, as well as fiscal and management accountability systems. This activity will also draw on the proposed joint DOL and ED team to help resolve barriers to effectively using wage data for performance reporting and evaluation purposes.
- Positioning state and local workforce development boards as strategic leaders to implement regional sector strategies and career pathway systems, as well as to effectively administer workforce programs that meet job seeker and employer needs by ensuring connections to elected officials, community leaders, and regional business employers.

These activities will be provided at three levels:

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

### **FY 2016**

In FY 2016, the Department received \$3,232,000, for the period of July 1, 2016 through June 30, 2017 (PY 2016), which will allow the Department to be responsive to the needs of the system and assist states in the second year of WIOA implementation.

PY 2016 technical assistance will build upon efforts provided through Dislocated Worker National Reserve technical assistance funds in PY 2015. The Department will assess the first year of WIOA implementation in order to determine the priority areas for technical assistance in 2016. Technical assistance will include a strong focus on strategic planning, resource and programmatic alignment, and accountability and transparency. Technical assistance will also include a major focus on the implementation of the core performance indicators under WIOA because PY 2016 is the first year of implementation of the new performance indicators.

### **Workload and Performance Narrative**

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

## TECHNICAL ASSISTANCE

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
25.1	Advisory and assistance services	0	1,616	1,616	0
41.0	Grants, subsidies, and contributions	0	1,616	1,616	0
	<b>Total</b>	<b>0</b>	<b>3,232</b>	<b>3,232</b>	<b>0</b>

# TECHNICAL ASSISTANCE

## CHANGES IN FY 2017

(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
<b>Base</b>	<b>\$3,232</b>	<b>0</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>



## REINTEGRATION OF EX-OFFENDERS

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
<b>Activity Appropriation</b>	<b>82,078</b>	<b>88,078</b>	<b>95,078</b>	<b>7,000</b>
FTE	0	0	0	0

### **Introduction**

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

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

As of December 31, 2014, there were about 1.6 million persons in adult state and Federal prisons in the United States.<sup>1</sup> Transitioning adult and juvenile offenders face extraordinary challenges in reintegrating into society as well as obtaining and retaining employment. While these populations are at a disadvantage in the most prosperous of times, there are labor market challenges directly affecting the offender population that, if unaddressed, will have long-term consequences for the nation.

Juvenile courts handled 1.1 million delinquency cases in 2013, resulting in 78,700 out-of-home placements, 383,600 probation assignments, and 249,800 other sanctions, with 342,300 cases dismissed.<sup>2</sup> Court-involved youth are highly at-risk of not being successful in the workforce and have high rates of recidivism. For example, 75 percent of youth released from juvenile correctional facilities and 59 percent of youth placed on probation in Virginia are arrested for a

<sup>1</sup> E. Ann Carson. September 2015. "Prisoners in 2014." U.S. Bureau of Justice Statistics.

<sup>2</sup> Office of Juvenile Justice and Delinquency Prevention Statistical Briefing Book, Juveniles in Court, Juvenile Court Case Processing, National Center for Juvenile Justice, April 17, 2015, available on Office of Juvenile Justice and Delinquency Prevention website.

## REINTEGRATION OF EX-OFFENDERS

new crime within three years.<sup>3</sup> Adults in the criminal justice system have low levels of educational attainment. Based on the 2011-2012 National Inmate Survey conducted by the Department of Justice, 57 percent of prison and jail inmates have dropped out of high school, 20 percent have a high school diploma without going on to college, 16 percent have some college experience, and 7 percent have a four-year college degree or higher.<sup>4</sup>

These low levels of educational attainment are steep barriers to employment when released prisoners return to their home communities. Jobs paying family-sustaining wages increasingly require a post-secondary credential. In its 2012 Employment Projections, for example, BLS reported that occupations that require a post-secondary degree are expected to grow the fastest from 2010 to 2020. In the case of former offenders, research has shown that employment and wage levels are related to rates of re-incarceration. A 2008 Urban Institute study of a sample of persons released from state prisons in Illinois in 2002-2003 and Ohio and Texas in 2004-2005 found that only 45 percent of ex-offenders returning to Chicago, Houston, and Cleveland were employed eight months after release.<sup>5</sup> The study also found that predicted probabilities of re-incarceration were 8 percent for those earning more than \$10 per hour at two months after release; 12 percent for those earning \$7 to \$10 per hour; and 16 percent for those earning less than \$7 per hour—compared with 23 percent for those who were unemployed.

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

Given the challenges described above, employment and training programs for reentering youth and adult offenders are necessary for the current and future well-being of the nation's communities and to reduce recidivism. To address these issues and support the Department's strategic goals, youthful ex-offender programs serve participants who are at risk of involvement with, or have been involved in, the juvenile justice system and have never been involved in the adult justice system. These youth-serving projects support a set of demonstrations that provide services to juvenile ex-offenders and youth who have been involved in the juvenile justice system but have not yet been adjudicated. These youth programs focus on increasing the

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<sup>3</sup> FY 2014 Data Resources Guide, Virginia Department of Juvenile Justice.

<sup>4</sup> Educational attainment percentages are from 118-2012 National Inmate Survey conducted by the Bureau of Justice Statistics.

<sup>5</sup> Visher, Christy A., Sara Debus, and Jennifer Yahner. 2008. "Employment after Prison: A Longitudinal Study of Releases in Three States." Washington, DC: The Urban Institute.

## REINTEGRATION OF EX-OFFENDERS

attainment of high school diplomas and credentials, as well as prevention and reduction of crime among those youth populations most at-risk of offending. In addition, RExO programs bring critical partners together across communities including American Job Centers, educational institutions, community-based organizations and others that support juvenile and adult offenders.

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

### **Five-Year Budget Activity History**

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2012	\$80,238	0
2013	\$76,055	0
2014	\$80,078	0
2015	\$82,078	0
2016	\$88,078	0

### **Funding Mechanism**

Workforce Innovation and Opportunity Act (WIOA) programs operate on a program year (PY) calendar. FY 2017 RExO funds will be available from April 1, 2017 through June 30, 2018, or PY 2017. The Department funds RExO projects through a competitive solicitation process. Grants for serving adult ex-offenders may be awarded to local workforce investment boards and non-profit faith-based and 501(c)(3) community- and faith-based organizations. Grants for serving youth offenders may be awarded to various types of organizations, including non-profit national and regional intermediaries, 501(c)(3) community- and faith-based organizations, state and local government agencies, and Indian and Native American entities eligible for grants under WIOA Section 166.

### **FY 2017**

The Department requests \$95,078,000 in FY 2017 for the period of April 1, 2017 through June 30, 2018 (PY 2017) to serve adult and juvenile offenders. This is an increase of \$7,000,000 over the FY 2016 (PY 2016) enacted appropriation of \$88,078,000 to fund RExO projects that serve adult and youth offenders. This additional funding also will allow the Department to serve an additional 875 participants. PY 2017 will be the third year of WIOA implementation.

Approximately \$30,000,000 will be used for grants to serve adult offenders at various levels of supervision, including offenders in pre-release, those transitioning through work-release programs, and those in post-release. The Department will use lessons from the previous Training to Work grants, which provided a full array of employment services to offenders supervised under local work-release programs, as well as lessons learned through the random assignment evaluation of the Department's adult ex-offender grants. In designing services for adult

## **REINTEGRATION OF EX-OFFENDERS**

offenders, we will also include successful strategies taken from the evaluation pilots of the Integrating Reentry and Employment Strategies white paper released by the Council of State Government's Justice Center, in collaboration with the Center for Employment Opportunities, the Department of Justice, and the Annie E. Casey Foundation.

Approximately \$50,000,000 will be used to serve youth offenders. Of this amount, at least \$20,000,000 is required to be used for high-poverty/high-crime intermediary grants, which provide comprehensive services to juvenile offenders residing in high-poverty communities with high crime rates. As in FY 2016, the Department will consider the needs of communities that have recently experienced significant unrest. Additional grants will be awarded to state and local organizations that provide workforce activities to prepare youth offenders to join the labor force including the use of justice strategies such as expungement and diversion. The Department will continue to fund programs that link at-risk youth with careers and work experience in law enforcement.

The Department will use approximately \$15,000,000 to continue building on the lessons learned from the rigorous formative evaluation of the original Linking Employment Activities Pre-Release (LEAP) grants, which funded a number of satellite American Job Centers within local and state correctional facilities. These grants provide career and supportive services to transitioning offenders pre-release and post-release. Upon release, the transitioning offenders are linked directly to their local American Job Centers to ensure they have access to a continuum of employment, training or support services. The LEAP grants provide quality career guidance and planning for a successful transition back to communities.

The remaining funds will be used by the Department to contribute to evaluations of the Reintegration of Ex-Offenders grants, and also provide technical assistance to youth offender grantees to help them improve their performance. Examples of the technical assistance include improving connections to ongoing partnerships between grantees and private sector employers, implementing mentoring programs, and developing opportunities for community service. Because employers are an essential partner in the successful integration of both adult and youth offenders, the Department will continue to reach out and educate employers on the benefits of hiring ex-offenders and available Federal incentives, such as the Federal Bonding program and the Work Opportunity Tax Credit. The Department will continue to monitor performance outcomes, holding grantees accountable for program success and innovation.

### **FY 2016**

In FY 2016, the appropriated budget for the RExO program is \$88,078,000 for the period of April 1, 2016 through June 30, 2017 (PY 2016), \$6,000,000 above the level enacted in FY 2015 (PY 2015). PY 2016 will be the second year of WIOA implementation. Approximately \$25,000,000 will be used for grants to serve adult offenders at various levels of supervision, including offenders in pre-release, those transitioning through work-release programs, and those in post-release.

Approximately \$43,000,000 will be used to serve youth offenders. Of this amount, \$20,000,000 will be used for high-poverty/high-crime intermediary grants, which provide comprehensive

## **REINTEGRATION OF EX-OFFENDERS**

services to youth offenders residing in high-poverty communities with high crime rates. The remaining \$23,000,000 of youth offender funds will be used to continue (a) demonstration projects begun with FY 2015 funds that are evaluated using a random assignment methodology, and (b) Face Forward grants that use justice strategies such as expungement and diversion in addition to workforce activities to prepare youth offenders to join the labor force. In awarding grants, the Department will consider the needs of communities that have recently experienced significant unrest as requested in the Statement of Managers.

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

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

### **FY 2015**

The FY 2015, enacted budget for the RExO program was \$82,078,000 for the period April 1, 2015, through June 30, 2016 (PY 2015). This funding level is supporting approximately 10,260 adult and juvenile offender participants. In this first year of WIOA implementation, \$20,000,000 is being used to fund adult program designs that reflect findings of the current random assignment evaluation of the Department's adult ex-offender grants.

In designing services for adult offenders, we are also using a white paper on integrating reentry and employment strategies prepared by the Council of State Government's Justice Center, in collaboration with the Center for Employment Opportunities, the Departments of Labor and Justice, and the Annie E. Casey Foundation. The white paper introduced the Resource Allocation and Service-Matching Tool, which is based on two key dimensions—an individual's risk of reoffending (criminogenic risk) and job readiness. There are four groupings that result

## REINTEGRATION OF EX-OFFENDERS

from assessing individuals under correctional control along these dimensions. Each group can be assigned a combination of employment program components and service delivery strategies that are tailored to individuals' risk for criminal activity and complemented by corrections interventions.<sup>1</sup>

In addition, \$33,000,000 is being used to fund various promising and evidence-based models for youth offenders and to support program and evaluation costs for rigorous random assignment evaluations based on the findings from the current feasibility assessment and evaluation design study. Of this amount, \$20,000,000 continues to support competitive grants to national and regional intermediaries for activities that prepare young ex-offenders and school dropouts for employment, with a priority for projects serving high-crime, high-poverty areas. The Department also continues its collaboration with the Department of Defense in managing the National Guard's Youth ChalleNGe program, a demonstration started with FY 2014 funds to serve non-violent adjudicated youth. The National Guard has successfully run an intensive youth residential program on military installations since 1980, which serves at-risk youth. A rigorous evaluation of the model demonstrated significant positive outcomes, including a higher likelihood for those in the program to have obtained a GED, a higher likelihood of being employed after the program, and earnings of about 20 percent more than their counterparts.<sup>2</sup>

The Department is also using \$10,000,000 for Linking to Employment Activities Pre-release (LEAP) grants. These grant funds are supporting the development and implementation of the American Job Center (AJC) satellite locations or services within local county correctional facilities linked directly to the community-based AJCs, enabling inmates to prepare for employment prior to release, and to continue with services in the community once released.

Approximately \$5,000,000 is being used to fund a pilot of the Law Enforcement Services Career Pathways Program. The Departments of Labor and Justice are partnering to pilot the program that will link law enforcement, workforce, schools, and community-based organizations to serve youth at risk of offending by providing them with opportunities to explore in-demand careers in law enforcement services including workers who protect the lives and promote the well-being of community members. The pilot program will expose youth to and potentially assist youth in entering career pathway programs in law enforcement, such as through employment or additional training post high school or through entry into post-secondary education. The program will enable youth that are at risk of offending to gain exposure to a wide spectrum of law enforcement activities, promote positive interactions with law enforcement officials, and inspire potential careers in law enforcement.

The remaining funds are being for technical assistance to grantees, support for the Enhanced Transitional Jobs random assignment evaluation, evaluations of the LEAP and Law Enforcement Services Career Pathways grants, support for the Performance Partnership Pilots, the management information system for grantees, and the Federal Bonding Program.

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<sup>1</sup> Duran, L., Plotkin, M., Potter, P., Rosen, H. "Integrated Reentry and Employment Strategies: Reducing Recidivism and Promoting Job Readiness," The Council of State Governments Justice Center, (September, 2013). <http://csgjusticecenter.org/wp-content/uploads/2013/09/Final.Reentry-and-Employment.pdf>

<sup>2</sup> Millenky, M., Bloom, D., Muller-Ravett, S. and Broadus, J. June 2011. "Staying On Course: Three Year Results of the National Guard Youth ChalleNGe Evaluation," New York, NY: MDRC

## **REINTEGRATION OF EX-OFFENDERS**

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

## REINTEGRATION OF EX-OFFENDERS

<b>DETAILED WORKLOAD AND PERFORMANCE</b>							
		<b>PY 2014 Enacted</b>		<b>PY 2015 Enacted</b>		<b>PY 2016 Enacted</b>	<b>PY 2017 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Reintegration of Ex-Offenders</b>							
<b>Strategic Goal 1 - Prepare workers for better jobs</b>							
<b>Strategic Objective 1.2 - Provide marketable skills and knowledge to increase workers' incomes and help them overcome barriers to the middle class through partnerships among business, education, labor, community organizations, and the workforce system</b>							
ETA-RExO Adult-01	Entered Employment Rate for Non-Youth/Employment in the 2nd quarter after exit (Reintegration of Ex-offenders – Adult) <sup>1</sup>	60.6%	52.1%	61.2%	--	N/A	N/A
ETA RExO Adult-02	Employment Retention Rate/Employment in the 4 <sup>th</sup> quarter after exit for Non-Youth (Reintegration of Ex-offenders – Adult) <sup>2</sup>	68.2%	71.2%	68.2%	--	N/A	N/A
ETA-RExO Adult-03	Six Month Average Earnings for Non-Youth/Median Earnings in the 2nd quarter after exit (Reintegration of Ex-offenders – Adult) <sup>3</sup>	\$10,282	\$10,579	\$10,473	--	N/A	N/A
ETA-RExO Adult-04	Recidivism Rate for Non-Youth (Reintegration of Ex-offenders – Adult)	22.00%	12.33%[r]	22.00%	--	22.00%	22.00%
ETA-RExO Youth-01	Placement in Jobs, Post-Secondary Education, or Occupational Training for Out-of-School Youth Ages 18+ (Reintegration of Ex-offenders - Youth) <sup>4</sup>	35.6%	47.4%	35.7%	--	N/A	N/A

<sup>1</sup> Beginning in PY 2016, Entered Employment Rate will be discontinued. The new WIOA measure will be calculated based on the percent employed in the 2<sup>nd</sup> quarter after program exit.

<sup>2</sup> Beginning in PY 2016, Employment Retention Rate will be discontinued. The new WIOA measure will be calculated based on the percent employed in the 4<sup>th</sup> quarter after program exit

<sup>3</sup> Beginning in PY 2016, Six Month Average Earnings will be discontinued. The new WIOA measure will be Median Earnings of those employed in the 2<sup>nd</sup> quarter after program exit.

## REINTEGRATION OF EX-OFFENDERS

<b>DETAILED WORKLOAD AND PERFORMANCE</b>							
		<b>PY 2014 Enacted</b>		<b>PY 2015 Enacted</b>		<b>PY 2016 Enacted</b>	<b>PY 2017 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
ETA-RExO Youth-02	Recidivism Rate for Youth Ages 14-17 (Reintegration of Ex-offenders - Youth)	16.00%	15.80%	16.00%	--	N/A	N/A
ETA-RExO Youth-03	Recidivism Rate for Youth Ages 18 and Above (Reintegration of Ex-offenders - Youth)	17.00%	9.10%	17.00%	--	N/A	N/A
ETA-WIOA-REx-01	Employment Rate (employment in the second quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA- RExO -02	Employment Retention Rate (employment in the fourth quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA- RExO -03	Median Earnings (median earnings of those employed in the second quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA- RExO -04	Credential Attainment Rate (Percent of participants who earn a diploma, GED, or certificate within one year after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA- RExO -05	Education Attainment Rate (Percent of participants who achieve literacy or numeracy gains of one adult basic education level)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA- RExO -06	Effectiveness in Serving Employers	N/A	N/A	N/A	N/A	TBD	TBD
	Number of Participants Served (Reintegration of Ex-offenders)	9,150[p]	11,166	10,260[p]	--	11,010[p]	11,885[p]
	Cost Per Participant Served (Reintegration of Ex- offenders)	\$8,752.00	\$7,172.00	\$8,000.00	--	\$8,000.00	\$8,000.00

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

<sup>4</sup>Beginning in PY 2016, Placement in Employment or Education will be discontinued. The new WIOA measure will be calculated based on the percent placed in education, training, or employment in the 2nd quarter after program exit.

# REINTEGRATION OF EX-OFFENDERS

## Workload and Performance Narrative

The RExO-Adult program model is employment-focused because participants are often required as a mandate of probation or parole to have a job. Employment is also considered one of the factors to reduce recidivism, as described above.

Beginning in PY 2016, the common measures are revised based on WIOA authorization for six key common performance indicators that are consistent across populations served. These six indicators are: 1) 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 toward credential attainment/employment; and 6) effectiveness in serving employers. The targets for the six new performance indicators have not been included in the budget because of changes WIOA made to the methodology for calculating the performance indicators. To accurately determine targets and results, the Department is required to collect new baseline data in PY 2016. Based on those data, targets will need to be established in subsequent years.

In PY 2017, the Department will consider several steps to improve the performance of grantees in meeting their performance goals. For example, the Department makes use of recommendations from the final report of the RExO Adult random assignment evaluation to better target technical assistance and the sharing of best practices.

For PY 2017, the estimated cost per participant is \$8,000 for both the adult and youth programs. At this cost per participant, the Department expects to serve 11,885 participants in PY 2017.

## REINTEGRATION OF EX-OFFENDERS

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
25.2	Other services from non-Federal sources	0	0	0	0
41.0	Grants, subsidies, and contributions	82,078	88,078	95,078	7,000
	<b>Total</b>	<b>82,078</b>	<b>88,078</b>	<b>95,078</b>	<b>7,000</b>

# REINTEGRATION OF EX-OFFENDERS

## CHANGES IN FY 2017

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Other services from non-Federal sources \$0

Grants, subsidies, and contributions 0

**Built-Ins Subtotal \$0**

**Net Program \$7,000**

**Direct FTE 0**

	Estimate	FTE
<b>Base</b>	<b>\$88,078</b>	<b>0</b>
<b>Program Increase</b>	<b>\$7,000</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>

## APPRENTICESHIP GRANTS

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
<b>Activity Appropriation</b>	<b>0</b>	<b>90,000</b>	<b>90,000</b>	<b>0</b>
FTE	0	0	0	0

### **Introduction**

The FY 2016 Omnibus appropriated \$90,000,000 for ApprenticeshipUSA program activities, the first-ever congressionally approved funding specifically targeted to support wide-scale apprenticeship expansion across the United States. Funding is aimed at supporting innovative, job-driven approaches that result in the growth of Registered Apprenticeship programs to train workers with 21<sup>st</sup> century skills that meet employer and industry workforce needs. Registered Apprenticeship is a post-secondary work-based education and training program registered with the Department of Labor, or with a Department of Labor-recognized State Apprenticeship Agency (SAA), after meeting the specific standards for national or state recognition. This effective and flexible work-based training model combines job-related technical instruction with structured on-the-job learning experiences. Apprentices earn a salary upon registration and receive wages that rise as their skill attainment, and thus productivity, rise throughout the program. Upon successful completion of all phases of on-the-job learning and related instruction components, registered apprentices receive nationally recognized certificates of completion leading to long-term career opportunities. Through successful partnerships with community colleges, some Registered Apprenticeship programs also afford apprentices the opportunity to earn college credit towards a degree.

A body of evidence supports the President’s proposal to expand Registered Apprenticeship as a key job-driven strategy aimed at maintaining America’s position of preeminence in key industry sectors of the world economy, including manufacturing, transportation, information technology, health care, and the skilled trades. According to the Bureau of Labor Statistics (BLS) employment projections for 2012-2022, occupations that typically incorporate apprenticeships are projected to grow by 22.2 percent.<sup>1</sup> Modern apprenticeships are on the cutting edge of innovation in preparing a skilled workforce for a broader range of today’s industries and the model can be integrated with a broad range of workforce development and educational strategies. Apprentices receive a paycheck from day one that is guaranteed to increase as long as their training, knowledge, skills, and abilities progress. Apprenticeships (which can last from one to six years) also connect education and work simultaneously; apprentices gain industry-recognized credentials, and in many cases college credits, that can lead to an associate or bachelor’s degree. Those credentials in turn lead to a long-term, well-paying career.

Currently, there are approximately 450,000 Registered Apprentices in the United States, which represents a relatively small proportion of the labor force compared with other industrialized

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<sup>1</sup> See Occupational Outlook Handbook (OOH) “Apprenticeship: Earn while you learn” by Elka Torpey Summer 2013 <http://www.bls.gov/ooq/2013/summer/art01.pdf>

## APPRENTICESHIP GRANTS

nations. To put this number in a global context, the United States would need more than six times as many new apprentices to be on the same per capita level as Great Britain.<sup>2</sup> It would take a sixteen-fold increase for the U.S. to be on par with the number of apprentices in Germany.<sup>3</sup> Underutilization of apprenticeship also is evidenced when one considers that by comparison there over 19 million students in 2- and 4-year American colleges and universities.<sup>4</sup> This underutilization of apprenticeship represents a significant lost opportunity to: 1) efficiently upskill American workers to create a stronger American economy; 2) bolster training for youth to reduce youth unemployment; 3) lower job churn; and 4) create higher job satisfaction.

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

To support an expanded and robust role for Registered Apprenticeship in the public workforce system as called for by the President and as envisioned by WIOA, the Department requests continued support of the Apprenticeship Grants funding to provide resources for programmatic activities to transform the national apprenticeship system. In FY 2016, Congress made available \$90,000,000 for Registered Apprenticeship grants and capacity building. This programmatic funding will support states in their work with employers to develop and register new apprenticeship programs, incentivize expansion of apprenticeship in new industries and occupations, raise the profile of Registered Apprenticeships throughout the workforce system and encourage new approaches in support of apprenticeship opportunities to women, minorities, and other under-represented populations.

Through the ApprenticeshipUSA program, the Department intends to provide programmatic funds to states and other entities to grow a more robust national apprenticeship system. These

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<sup>2</sup> Stephen Steigleder and Louis Soares, "Let's Get Serious About Our Nation's Human Capital: A Plan to Reform the U.S. Workforce Training System" (Washington: Center for American Progress, 2012).

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

<sup>4</sup> 4 National Center for Education Statistics, Projections of Education Statistics through 2021, Table 20, [http://nces.ed.gov/programs/projections/projections2021/tables/table\\_20.asp](http://nces.ed.gov/programs/projections/projections2021/tables/table_20.asp).

## APPRENTICESHIP GRANTS

funds will build a national apprenticeship system by supporting Registered Apprenticeship at the state and local levels through a range of activities, such as state-specific outreach strategies, partnerships, economic development strategies, and expanded access to apprenticeship opportunities for under-represented populations through pre-apprenticeships and career pathways.

Primary activities these programmatic funds will support include:

- Building state capacity to more effectively administer Registered Apprenticeship programs at the state and local levels and to assist employers and program sponsors in launching or expanding apprenticeship programs through customized technical assistance that ensures apprentices receive high quality training;
- Scaling expansion of innovative, high quality programs to new industries (IT, Cyber Security, Healthcare, Financial Services, among others);
- Strengthening Public-Private Partnerships across the National Apprenticeship system;
- Supporting state efforts to conduct robust statewide promotional and outreach activities to encourage more employers to start programs and more young people to enter training;
- Expanding access to under-represented populations through public-private partnerships;
- Promoting Career Pathways, Pre-Apprenticeship-to-Apprenticeship, and alignment with WIOA and College Systems; and
- Leveraging public policies that support registered apprenticeship and increase the sustainability of the system.

### Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2015	\$0	0
2016	\$90,000	0

### Funding Mechanism

The Registered Apprenticeship programs will operate on a program year of April 1 through the following June 30. The Department will carry out Registered Apprenticeship activities through grants, cooperative agreements, and contracts. The Department may award funds to various organizations, including (but not limited to) non-profit national and regional intermediaries, community-based organizations, state and local government agencies, labor organizations, Registered Apprenticeship program sponsors, community colleges, employer-related non-profit organizations, and workforce intermediaries.

### FY 2017

The Department is requesting \$90,000,000 in FY 2017 for the period of April 1, 2017 through June 30, 2018 (PY 2017) to support ApprenticeshipUSA activities, which is the same level of funding as FY 2016. Funding will support innovative, job-driven approaches that result in the

## APPRENTICESHIP GRANTS

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

Building on previous apprenticeship programs, ApprenticeshipUSA activities represent the fulfillment and expansion of those goals of programs such as Women in Apprenticeship and Non-Traditional Occupations (WANTO) in a broader program of expanding economic opportunity to many groups of Americans. Women and under-represented groups will remain a central priority within the ApprenticeshipUSA activities, with special emphasis within community-based organization and workforce intermediary funding areas on creating pathways into non-traditional occupations.

By establishing this programmatic funding stream in FY 2016, Congress took a critical step in advancing the path forward for innovation in apprenticeship and raising the visibility of apprenticeship as a post-secondary education and training pathway. Funds to states will support activities that lead to the expansion of Registered Apprenticeship at the state level and advance alignment and integration of the Registered Apprenticeship and public workforce system. Competitive awards will build on the American Apprenticeship Grant initiative (previous Apprenticeship Grant awards, including H-1B funds) by supporting the expanded use of apprenticeship models in new and emerging, high-growth industries/sectors. Competitive funding to community-based organizations and workforce intermediaries will expand the ability of these organizations to engage, recruit, and serve populations under-represented in Apprenticeship, with a particular emphasis on increasing the representation of women in Registered Apprenticeship programs.

- **Apprenticeship State Funds** (approximately \$45,000,000) to both federally administered and DOL-recognized SAAs. The funds to states will increase the system's capacity to register and oversee additional apprenticeship programs while also sustaining partnership development and system alignment between education, workforce and economic development entities and Registered Apprenticeship. Initiatives to be funded include:
  - Planning activities—strategies to grow apprenticeships in high-growth industries
  - Infrastructure and Capacity—efforts to increase and modernize the capacity and infrastructure at the State and local level, including hiring additional staff to conduct outreach, promotion and oversight activities as well as modernizing IT systems at the State level
  - Outreach and promotional activities—state-specific outreach strategies that increase the awareness of the benefits and value of apprenticeships and help employers and program sponsors start or expand apprenticeship programs
  - Economic development planning and expansion—strategies that generate new or leverage existing employer demand for apprenticeships

## APPRENTICESHIP GRANTS

- Expanded access to apprenticeship opportunities—strategies (such as pre-apprenticeships and career pathways) that meet the needs of under-represented populations
- Partnerships—stronger partnerships with the workforce system, education system, economic development entities, and current/potential program sponsors
- National System Building—SAAs must agree to fully share data on outcomes and activity to help foster a more cohesive and seamless national apprenticeship system
- **Apprenticeship Industry and Workforce Intermediary Funding** (approximately \$22,500,000) to help industry consortia expand or launch multi-employer apprenticeship models that can scale in existing, new and emerging high-growth industries/sectors; coordinate curriculum; align apprenticeships to pathways for further learning, credit and career advancement; and scale apprenticeship models that have been proven successful. Funded entities will need to demonstrate the ability to work with and recruit a broad base of employers, build strong public-private partnerships with commitments from employer networks, Workforce Investment Boards, community college partners, labor, community based organizations, and others to ensure these funds lead to sustainable activities. This funding will build on the American Apprenticeship Grant initiative (FY 2015 & FY 2016) and could be awarded to employer partnerships to start or significantly expand existing Registered Apprenticeship programs or alternatively to industry associations and intermediaries that work with a consortium of employers to develop or expand Registered Apprenticeship programs.
- **Community-Based Organization and Workforce Intermediary Funding** (approximately \$13,500,000) to fund innovative new apprenticeship approaches and partnerships, including, but not limited to, efforts to serve underserved populations, including women, disconnected youth, minorities, Veterans, and people with disabilities. The competitively awarded funding will build off of the success of the Women Apprentices in Non-Traditional Occupations program and expand the ability of these organizations to engage, recruit, and serve under-represented populations.
- **National Activities including promotion, outreach, technical assistance, electronic tools and research** (approximately 10 percent of total funding or approximately \$9,000,000) to support a range of strategies such as:
  - Promote Innovation and Provide Technical Assistance. The apprenticeship-specific strategies include implementing apprenticeship accelerator models to streamline the program registration process; supporting innovative Registered Apprenticeship approaches in existing industries (including the development of competency-based apprenticeships); promoting new Registered Apprenticeship models that utilize a range of intermediaries in non-traditional industries; and assisting employer-driven efforts to expand Registered Apprenticeship opportunities to underserved populations.
  - National outreach, capacity building, and performance tracking activities. Raising industry and public awareness of the value and benefits of Registered Apprenticeship through national, regional, and statewide outreach campaigns is central to the broader goals to significantly expand the model. The Department will continue ongoing use of social media, coordination with leaders in the field of apprenticeship and targeted

## APPRENTICESHIP GRANTS

industry outreach events, such as National Apprenticeship Week, to continue implementing a national education campaign. This outreach campaign will continue to spark a national dialogue with business to elevate the public image of Registered Apprenticeship and to ensure that the value of apprenticeship is understood by a variety of audiences. By comparison, the United Kingdom committed over \$20,000,000 in a national outreach campaign to increase public awareness of the benefits of apprenticeship. This effort is a key component to that country's rapid expansion of apprenticeships in recent years.

- Supporting research. The funds will assist in identifying and documenting innovative Registered Apprenticeship models and evaluating the effectiveness of these and other efforts. The funds will also support improvements for the national apprenticeship system by encouraging more robust data collection, sharing, and analysis to improve individual and collective program accountability and performance. This effort will provide a strong foundation for more advanced research activities.
- Electronic tools. The Department will continue to modernize IT platforms and develop user-friendly tools to accelerate program registration for employers, improve customer relationship management and case management for federal and state staff, and increase the use of apps and other tools to help employers and prospective apprentices learn about new opportunities.

### FY 2016

In FY 2016, Congress appropriated \$90,000,000 for the apprenticeship grants and capacity building. By establishing this programmatic funding stream in FY 2016, Congress took a critical step in advancing the path forward for innovation in apprenticeship and raising the visibility of apprenticeship as a post-secondary education and training pathway. Funds to states will support activities that lead to the expansion of Registered Apprenticeship at the state level and advance alignment and integration of the Registered Apprenticeship and public workforce system. Awards will build on the American Apprenticeship Grant initiative (H-1B funds—awarded in FY 2015) by supporting the expanded use of apprenticeship models in new and emerging, high-growth industries/sectors. The Department's investment model in FY 2016 is outlined below:

- **Apprenticeship State Funds** (approximately \$45,000,000) to both federally administered and DOL-recognized SAAs. The funds to states will increase the system's capacity to register and oversee additional apprenticeship programs while also sustaining partnership development and system alignment between education, workforce and economic development entities and Registered Apprenticeship.
- **Apprenticeship Industry and Workforce Intermediary Funding** (approximately \$22,500,000) to help industry consortia launch or expand multi-employer apprenticeship models that can scale in existing, new and emerging high-growth industries/sectors; coordinate curriculum; align apprenticeships to pathways for further learning, credit and career advancement; and scale apprenticeship models that have been proven successful. These funds build on the American Apprenticeship Grant initiative (H-1B funds) and could be awarded to employer partnerships to start or significantly expand existing Registered

## APPRENTICESHIP GRANTS

Apprenticeship programs or alternatively to industry associations and intermediaries that work with a consortium of employers to develop or expand Apprenticeship programs.

- **Community-Based Organization and Workforce Intermediary Funding** (approximately \$13,500,000) to fund innovative new apprenticeship approaches and partnerships, including, but not limited to, efforts to serve populations underserved in Registered Apprenticeship, including women, disconnected youth, minorities, Veterans, and people with disabilities.
- **National Activities including promotion, outreach, technical assistance, electronic tools and research** (approximately 10 percent of total funding or \$9,000,000) to support a range of strategies such as:
  - Promote Innovation and Provide Technical assistance.
  - National outreach, capacity building, and performance tracking activities.
  - Supporting research.
  - Electronic tools.

### **FY 2015**

In 2015, no funding was appropriated for the Apprenticeship Grants activity.

## APPRENTICESHIP GRANTS

<b>DETAILED WORKLOAD AND PERFORMANCE</b>				
	<b>FY 2015 Enacted</b>		<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>
	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Apprenticeship Grants</b>				
<b>Strategic Goal 1 - Prepare workers for better jobs</b>				
<b>Strategic Objective 1.2 - Provide marketable skills and knowledge to increase workers' incomes and help them overcome barriers to the middle class through partnerships among business, education, labor, community organizations, and the workforce system</b>				
ETA-OA-01    New Apprentices	N/A	N/A	36,000	36,000

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

# APPRENTICESHIP GRANTS

## Workload and Performance Summary

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

Programmatic funds will support innovative, job-driven approaches that result in the expansion of registered apprenticeship programs to train workers with 21st century skills that meet employer and industry workforce needs. The Department anticipates that these yearly investments will result in a minimum of 36,000 new apprentices per year (over the prior year) and assist in sustaining previous efforts and investments.

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

### *Capacity Building & Employer Metrics*

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

### *Employment & Training Metrics*

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

## APPRENTICESHIP GRANTS

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	0	90,000	90,000	0
	<b>Total</b>	<b>0</b>	<b>90,000</b>	<b>90,000</b>	<b>0</b>

# APPRENTICESHIP GRANTS

## CHANGES IN FY 2017

(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
<b>Base</b>	<b>\$90,000</b>	<b>0</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>



## WORKFORCE DATA QUALITY INITIATIVE

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
<b>Activity Appropriation</b>	<b>4,000</b>	<b>6,000</b>	<b>40,000</b>	<b>34,000</b>
FTE	0	0	0	0

### **Introduction**

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

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

Section 169 of WIOA explicitly describes the purposes and objectives of a continuing regimen of methodologically rigorous evaluation and research activities of the impacts and cost effectiveness of these same programs at the federal level and at the state level under Section 116 (e). To determine impacts and cost effectiveness requires access to detailed information (data) at the individual (customer) level. This has long been a goal of the Department and was the driving idea behind the WDQI grant initiative. States now have the opportunity to expand those linkages to include data from adult education and vocational rehabilitation programs for a more expansive picture of the education and workforce systems' impact on customers.

The Department plans to grow WDQI into the Workforce Data System Integration (WDSI) initiative, which furthers the focus on high quality data to better understand how workforce and education programs affect the labor market and educational outcomes of the job seekers who interact with them. The WDSI initiative will support the development of information technology systems to improve workforce data quality and the ability of policy makers to use that data to improve program performance. As such, the initiative will support multiple components of state data systems, including longitudinal data systems, state-based wage data matching systems and

## WORKFORCE DATA QUALITY INITIATIVE

cross program/departmental systems, building on the work begun by previous funding of WDQI grantees, including those funded by FY 2016 resources. Through this initiative, the Department hopes to develop longitudinal data systems, and better align inter-departmental data systems, multiple programs within DOL, management information systems, and fiscal reporting systems at the state level.

The 2017 Budget also includes a package of proposals to allow additional programs and agencies authority to access the National Directory of New Hire Data, a federal database of employment and unemployment insurance information administered by the Office of Child Support Enforcement within the Department of Health and Human Services. Access to this data is tightly controlled by statute, and HHS implements strong privacy, confidentiality, and security protections to protect the data from unauthorized use or disclosure. Currently several programs are successfully using this data for program integrity, implementation, and research purposes, and the use of that data has led to important insights and program integrity gains. The Budget proposes to build on this strong history of data stewardship and protection to allow additional programs and agencies to access this valuable data to learn what works and improve program implementation, while continuing to protect the privacy, security and confidentiality of that data.

The 2017 Budget proposes to provide state agencies with responsibilities for Workforce Innovation and Opportunity Act (WIOA) implementation, as designated by the governor, the authority to match with NDNH for program administration of WIOA and other Vocational Rehabilitation and Adult Education program administration purposes, including oversight and evaluation of these programs. The proposal would also authorize data exchanges between state child support agencies, state agencies that administer workforce programs, and state agencies that administer Adult Education and Vocational Rehabilitation to improve coordination between the programs that each operate.

In addition, NDNH access for the Department of Labor, state workforce agencies, and state education agencies (Vocational Rehabilitation Services Administration and state agencies responsible for implementing Title II of WIOA) is part of a broader wage data access proposal to enable the Department of Education, the Department of Labor and states to implement WIOA and better use administrative data for performance and evaluation. Other components of this proposal include eliminating the ban (which has been in place since 1998) on a national database of WIOA participants with personally identifiable information and establishing a joint Department of Labor/Department of Education data team. HHS's Administration for Children and Families (ACF) would conduct robust privacy and security reviews before granting any state agency access to data. In addition, agencies who have been granted access will not be allowed to re-disclose personally identifiable information to any other WIOA implementing agency unless that agency also is authorized access *and* has the appropriate data safeguards in place (as determined by ACF). The Budget would also allow select Federal statistical and evaluation units to access the NDNH for statistical purposes, subject to strong privacy and confidentiality protections. The proposal would allow NDNH data to be used to evaluate Federal job training and other programs intended to increase employment and earnings, as well as to construct job training service provider "scorecards" based on participant employment and earnings outcomes, consistent with WIOA and the goals laid out as part of the Administration's review of job-training programs.

## WORKFORCE DATA QUALITY INITIATIVE

The proposal also includes penalties for unauthorized access, use, disclosure, or re-disclosure of personally identifiable information; clear specification of each authorized purpose; a requirement that the minimum data necessary be accessed; and satisfies the Administration's criteria for when authority to access NDNH data should be considered.

The package also requires HHS to review each agencies security position before they allow that agency to access the data, prohibits HHS from granting access to the data for any purpose not authorized in statute, and requires HHS to generate a public reporting on the use of NDNH data. Please see Budget Chapter, *A Government of the Future*, and HHS's Administration for Children and Families Congressional Justification for additional information on the full package of NDNH access proposals and the criteria for considering access to NDNH data.

In FY 2010 and FY 2011, the Department awarded the first two rounds of WDQI with \$12,000,000 in grant funding, at approximately \$1,000,000 per state. This amount, however, was cut in half in the third, fourth, and fifth rounds of the grant. In a time of scarce resources and competing budgetary priorities, it is imperative to make substantial investments in the development and expansion of data systems to provide objective evidence of what services and programs are most successful at preparing individuals to meet the challenges of the Nation's labor market.

WDQI grants enable grantees to integrate data systems, using their databases to create public-facing performance reports, also known as scorecards, which are required by WIOA. These scorecards will contain data to help job seekers make informed decisions about training programs that offer skills training the job seekers need to pursue in-demand jobs and for employers to access workers with the right skills for jobs they want to fill. These interactive scorecards will be publicly searchable by training program of study and will allow anyone, including policy makers, employers, students and researchers, to search labor market information and available training and subsequent outcomes, such as program completion, employment and wage information of participants in these training programs. These data are helpful for policy and lawmakers to make informed decisions as they work towards designing programs which will better equip the Nation's workers with skills matching the needs of employers looking to hire job seekers.

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

This project addresses the Department's goal of using advanced technology to provide high quality, multi-layered analysis of the services participants are receiving with a longitudinal

## WORKFORCE DATA QUALITY INITIATIVE

perspective. Further, the Department will ask states to ensure that the following IT components are considered in the development of the application for funds:

- Infrastructure Costs
- Software Engineering/Programmer Support
- Business Intelligence/Data Analysis/Statistician Services
- Security Services (i.e., if Personally Identifiable Information is collected, costs for securing these items)
- Quality Assurance / Testing (if applications are actually being modified to support this effort)

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

### **Five-Year Budget Activity History**

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2012	\$6,463	0
2013	\$6,126	0
2014	\$6,000	0
2015	\$4,000	0
2016	\$6,000	0

### **Funding Mechanism**

WIOA programs operate on a Program Year (PY) basis. Therefore funds appropriated in FY 2017 are available from July 1, 2017 through June 30, 2018, or PY 2017. The funds will be awarded to states through a Funding Opportunity Announcement (FOA). States will be selected based on the quality of their applications and how well they meet the criteria set forth in the FOA.

### **FY 2017**

In FY 2017, the Department is requesting a total of \$40,000,000 for Workforce Data Systems Integration to support states’ achievement of integrated longitudinal data systems as envisioned under WIOA. This is an increase of \$34,000,000 from the FY 2016 enacted level of \$6,000,000. Of the total funding, \$33,000,000 will help states build integrated or bridged longitudinal data systems to facilitate WIOA implementation. WDSI funds will aid in the development and enhancement of integrated longitudinal performance management and fiscal data systems, with the ultimate goal of linking individual-level workforce data with education data.

## **WORKFORCE DATA QUALITY INITIATIVE**

This proposal expands upon the success of WDQI in assisting states in developing or enhancing their longitudinal databases to link education and workforce data and emphasizes the importance of developing the IT systems necessary to fully implement the performance accountability and evaluation provisions of WIOA.

The Department anticipates conducting grant competitions and requiring states will work collaboratively to build enhanced systems (e.g., through consortia or similar arrangements). With this funding, States will ensure stewardship of resources, and will be empowered to better manage programs through improved performance information. This funding increase will allow for further institutionalization of the investments in data systems integration through 5 rounds of grant awards in over 35 states since 2010, and will allow for further creation of improved systemic performance for workforce data systems around the nation.

These grants also will support building state-based wage data matching infrastructure to enable and/or streamline WIOA performance reporting, including eligible training provider (ETP) performance reporting. To streamline States' ability to access wage data for WIOA participants who cross state lines for employment, the FY 2017 Budget request includes \$1,000,000 to improve the facilitated support for two systems that States use to access wage data housed in another state through the wage record data exchange systems the Department supports. The Department intends to fund a single entity to receive and coordinate responses to state wage data access requests, which should make it easier for States to request wage data and help reduce the burden on UI agencies in responding to data requests. Finally, the request includes \$6,000,000 to help high-achieving consortia of states fully realize integrated data systems. These funds will function like traditional WDQI grants, and include strong conditions for eligibility.

### **FY 2016**

The Department received \$6,000,000 for the period of July 1, 2016, through June 30, 2017 (PY 2016). This is an increase of \$2,000,000 from the FY 2015 enacted level of \$4,000,000. To make the most efficient use of these funds, the Department will explore strategies that allow multiple states to build and use common systems solutions. This funding will help states build integrated or bridged longitudinal data systems to facilitate WIOA implementation. Consortia of states will aid in the development and enhancement of integrated longitudinal performance management and fiscal data systems, with the ultimate goal of linking individual-level workforce data with education data. The system will build off of the existing longitudinal databases developed under WDQI which links individual-level workforce data to education data. To maximize the number of states eligible to receive grant funding under WDSI, states will form a consortium to develop and test a systems integration model linked to their WDQI database. State consortia will be expected to produce data-sharing models in an open source format, so that additional states can benefit from this work. Also, beyond the two priority areas listed above, if state consortia include a focus on integration with fiscal data/systems, that consortia could be eligible for additional grant funding. These grants will support building state-based wage data matching infrastructure to enable and/or streamline WIOA performance reporting, including eligible training provider (ETP) performance reporting.

## **WORKFORCE DATA QUALITY INITIATIVE**

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

### **FY 2015**

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

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

## WORKFORCE DATA QUALITY INITIATIVE

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	4,000	6,000	40,000	34,000
	<b>Total</b>	<b>4,000</b>	<b>6,000</b>	<b>40,000</b>	<b>34,000</b>

# WORKFORCE DATA QUALITY INITIATIVE

## CHANGES IN FY 2017

(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 \$34,000**

**Direct FTE 0**

	Estimate	FTE
<b>Base</b>	<b>\$6,000</b>	<b>0</b>
<b>Program Increase</b>	<b>\$34,000</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>

# YOUTHBUILD

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
<b>Activity Appropriation</b>	<b>79,689</b>	<b>84,534</b>	<b>84,534</b>	<b>0</b>
FTE	0	0	0	0

## **Introduction**

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

YouthBuild is a community-based alternative education program that provides job training and educational opportunities for at-risk youth ages 16-24. Youth learn construction skills while constructing or rehabilitating affordable housing for low-income or homeless families in their own neighborhoods. Youth split their time between the construction site and the classroom, where they earn their GED or high school diploma, learn to be community leaders, and prepare for college and other postsecondary training opportunities. YouthBuild includes significant support systems, such as mentoring, follow-up education, employment, and personal counseling services; and participation in community service and civic engagement. There are over 220 DOL funded YouthBuild programs in 43 states serving over 6,000 youth per year.

## **Five-Year Budget Activity History**

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2012	\$79,689	0
2013	\$75,535	0
2014	\$77,534	0
2015	\$79,689	0
2016	\$84,534	0

## **Funding Mechanism**

Workforce Innovation and Opportunity Act (WIOA) programs operate on a program year (PY) calendar. FY 2017 YouthBuild funds will be available from April 1, 2017 through June 30, 2018, or PY 2017. The funds appropriated for YouthBuild are authorized by WIOA and are awarded through an annual grant competition. Programs are funded for four months of implementation, two years of program operation, and one year of follow-up support.

# YOUTHBUILD

## FY 2017

In FY 2017, the Department requests \$84,534,000 for the period of April 1, 2017 through June 30, 2018. This level is the same as the FY 2016 enacted level. Of the total funding amount, five percent will go toward the statutory set-aside for technical assistance (TA). The remainder will support approximately 82 grants to serve approximately 5,248 youth with an average cost per participant of \$15,300.

In 2017, the Department's YouthBuild program will continue to provide education and occupational skills training that provides a clear pathway into a chosen career field. Participants attain industry-recognized credentials, which support placements in post-secondary education, apprenticeships, and employment. As emphasized by WIOA, programs will continue to ensure the quality and energy efficiency of community and other non-profit and public facilities, including those that serve homeless and low-income families.

The program will continue its expansion of "Construction Plus," which began with the PY 2012 grant competition for in-demand occupations outside of construction, including STEM fields such as 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, post-secondary education including community colleges, and Registered Apprenticeships. In addition, the Department will continue to provide additional policy guidance in areas that support program implementation in the field, e.g., worksite development and requirements. Finally, the Department will support innovative, evidence-based practices that model effective student-centered problem-solving techniques such as problem-based learning.

WIOA requires work experience and skills training to be "coordinated, to the maximum extent feasible, with pre-apprenticeship and Registered Apprenticeship programs." YouthBuild programs are considered pre-apprenticeship programs and will continue to develop partnerships and learn from grantees selected under the PY 2015 American Apprenticeship Initiative grant competition. The Department's work promoting the connection between Section 3 and YouthBuild with the Department of Housing and Urban Development (HUD) will continue as well. This brings graduates of the YouthBuild program together with HUD-funded contractors to: 1) strengthen local apprenticeship opportunities for at-risk young people trained in the construction trades; 2) promote self-sufficiency for residents of public housing; and 3) connect contractors working on HUD-funded projects to DOL Registered Apprenticeship programs.

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

## **YOUTHBUILD**

The YouthBuild Web-based Case Management System (YouthBuild MIS) provides real-time data to grantees that allows access to data necessary to monitor program outcomes and develop strategies to better serve youth in the program. This system affords the Department the ability to monitor data and trends in performance outcomes, which lead to the development or enhancement of TA activities for grantees such as training, policy guidance, or development of tools and resources to support program performance. Outcome data is collected on individual participants and may be reported on a grantee level or on an aggregate basis for all grantees and participants in a funding cycle. In FY 2016, the Department implemented WIOA common performance measures for youth, which include: placement in employment or education, retention in employment or education, median earnings, education credential attainment, measurable skills gain and effectiveness in serving employers. Efforts to baseline these new WIOA common measures continue in FY 2017.

The Department will continue to support the random assignment evaluation which began in the fall of 2011 and will continue through 2019. The implementation report was issued in February, 2015, and the initial impact evaluation report is expected in early FY 2017. The results of this report will further inform and support TA delivery and indicate promising practices in the field. The final impact evaluation report is anticipated in 2019.

### **FY 2016**

In FY 2016, the Department received \$84,534,000 for the period of April 1, 2016 through June 30, 2017 (PY 2016). This is a \$4,845,000 increase from the FY 2015 enacted level. Of the total funding amount, five percent goes toward the statutory set-aside for technical assistance (TA). The remainder will support approximately 82 grants to serve approximately 5,248 youth with an average cost per participant of \$15,300.

In 2016, the Department's YouthBuild program is continuing to provide education and occupational skills training to program participants by offering them academic and occupational skills training that provides a clear path into a chosen career field. Participants obtain industry-recognized credentials, which support placements in post-secondary education, apprenticeships, and employment.

The program is continuing its expansion of "Construction Plus." The Department will also continue to focus its efforts on increasing credential attainment for YouthBuild participants and on enhancing post-program placement in employment, post-secondary education including community colleges, and Registered Apprenticeships.

The program's work promoting Section 3 with the Department of Housing and Urban Development (HUD) will continue as the Department anticipates being able to report on the number of YouthBuild participants that are connected to Section 3 projects in 2016.

The Department will continue to support YouthBuild coaching strategies for grantees such as the following:

## YOUTHBUILD

- TA provided through national learning exchanges, regional peer-to-peer exchanges, webinars, virtual training, and the use of electronic resources available through the YouthBuild Community of Practice.
- The YouthBuild Web-based Case Management System (YouthBuild MIS).
- Random assignment evaluation which began in the fall of 2011 and will continue through 2019. The final results of this report will further inform and support TA delivery and indicate promising practices in the field. The final impact evaluation report is anticipated in 2019.

### **FY 2015**

In FY 2015, the Department was appropriated \$79,689,000 for the period of April 1, 2015 through June 30, 2016 (PY 2015). Of this, five percent went toward the statutory set-aside for technical assistance. The remainder supported 72 grants to serve approximately 5,208 youth with an average cost per participant of \$15,300.

The Department began collecting initial outcomes information on the first few rounds of Construction Plus grantees who implemented additional career pathways beyond construction. Outcomes for these grants were compared to the overall grant outcomes, and further data analysis and trends were identified in order to better support these additional career pathways and strengthen the Construction Plus model. Initial review of the performance results from these first few Construction Plus classes (beginning with the 2012 grant class, which was the first to implement Construction Plus) demonstrated that programs that added Construction Plus had higher placement rates than non-Construction Plus grantees.

The ongoing YouthBuild random assignment study released the early process study findings in February 2015. Notably, the study found that the communities served by YouthBuild did not generally have other programs that offered a comparable array or intensity of services to participants in the control group, demonstrating the need for YouthBuild in the communities served. The study also found that the opportunity to earn a high school diploma or equivalency degree was the biggest draw for participants. Vocational training and stipends played a more limited role in attracting youth. Job training was a particular challenge, as most programs lacked dedicated job development staff and workforce prep was often combined with life-skills training rather than developed as its own substantial offering.

Related to this, the Department continued to focus on technical assistance to support and improve post-program placements within YouthBuild in FY 2015. The Department released a toolkit on Registered Apprenticeship pathways and best practices within YouthBuild programs and promoted the Career Pathways toolkit to the field. The focus on Registered Apprenticeship and Construction Plus continued to inform the development of best practices and targeted technical assistance for grantees to increase post-program placement outcomes for YouthBuild participants.

## YOUTHBUILD

<b>DETAILED WORKLOAD AND PERFORMANCE</b>							
		<b>PY 2014 Enacted</b>		<b>PY 2015 Enacted</b>		<b>PY 2016 Enacted</b>	<b>PY 2017 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>YouthBuild</b>							
<b>Strategic Goal 1 - Prepare workers for better jobs</b>							
<b>Strategic Objective 1.2 - Provide marketable skills and knowledge to increase workers' incomes and help them overcome barriers to the middle class through partnerships among business, education, labor, community organizations, and the workforce system</b>							
ETA-YB-01	Placement in Employment or Education (YouthBuild) <sup>1</sup>	50.4%	52.4% [r]	50.5%	--	N/A	N/A
ETA-YB-02	Attainment of Degree or Credential (YouthBuild) <sup>2</sup>	67.1%	68.3% [r]	67.1%	--	N/A	N/A
ETA-YB-03	Literacy and Numeracy Gains (YouthBuild) <sup>3</sup>	57.8%	60.5% [r]	57.6%	--	N/A	N/A
	Number of Participants Served (YouthBuild)	4,948	7,560	5,208[r]	--	5,248	5,248
	Cost Per Participant Served (YouthBuild)	\$15,300.00	\$10,036.00	\$15,300.00	--	\$15,300.00	\$15,300.00
ETA-WIOA-YB-01	Employment Rate (placement in employment, education or long-term training in the second quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA-YB-02	Employment Retention Rate (placement in employment, education or long-term training in the fourth quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA-YB-03	Median Earnings (median earnings of those employed in the second quarter after exit)	N/A	N/A	N/A	N/A	TBD	TBD

<sup>1</sup> Beginning in PY 2016, Placement in Employment or Education will be discontinued. The new WIOA measure will be calculated based on the percent placed in education, training, or employment in the 2nd quarter after program exit.

<sup>2</sup> Beginning in PY 2016, Attainment of a Degree or Certificate will be discontinued. The new WIOA measure will be calculated based on the percent placed in education, training, or employment in the 4th quarter after program exit.

<sup>3</sup> Beginning in PY 2016, Literacy and Numeracy Gains will be discontinued. The new WIOA measure will be credential attainment.

## YOUTHBUILD

<b>DETAILED WORKLOAD AND PERFORMANCE</b>							
		<b>PY 2014 Enacted</b>		<b>PY 2015 Enacted</b>		<b>PY 2016 Enacted</b>	<b>PY 2017 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
ETA-WIOA- YB-04	Credential Attainment Rate (Percent of participants who earn a diploma, GED, or certificate within one year after exit)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA- YB-05	Education Attainment Rate (Percent of participants who achieve literacy or numeracy gains of one adult basic education level)	N/A	N/A	N/A	N/A	TBD	TBD
ETA-WIOA- YB-06	Effectiveness in Serving Employers	N/A	N/A	N/A	N/A	TBD	TBD

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

# YOUTHBUILD

## Workload and Performance Narrative

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

Based on the average cost per participant of \$15,300 the Department projects enrolling 5,248 participants during PY 2017. The \$15,300 cost per participant is based on an average program length of nine months, the payment of stipends to participants, the equipment required for construction, and the number of staff required to create a supportive environment for the youth. We have done an analysis of the participation time in program and determined that there are many youth who are enrolled but drop out before extensive services may be offered. The target for participants served differs from the actual number of participants served in PY 2014 as listed in the workload table due to the average time of completion for youth in the program being shorter than anticipated. Participants are anticipated to be served in a YouthBuild program for nine months; however, some youth may complete the program in less time, creating an opportunity to serve additional youth.

The YouthBuild program has shown continuous improvement in each performance measure with each successive grant class. In looking at the 2012 grant class, which is the most complete set of data available, having ended their period of performance in late 2015, the placement rate at program completion was 56.7 percent, just well above the PY 2015 GPRA goal of 50.5 percent. Over the cumulative grant classes, YouthBuild continues to meet or exceed the GPRA targets but technical assistance is addressing placement strategies in recognition of a drop in placement rate from previous grant classes. In the other key measures, the 2012 grant class exceeded performance as well, with a credential attainment rate that was 9.2 percentage points higher than the GPRA target of 67.1 percent, and the performance outcome for the literacy/numeracy gains measure was 66.8 percent, well above the target of 57.6 percent. Evaluating performance of individual grant classes after the period of performance is completed provides a more accurate indicator of the performance measures, due to the length of time participants may be served by the program and the intensity of program services that are offered.

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<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
41.0	Grants, subsidies, and contributions	79,689	84,534	84,534	0
	<b>Total</b>	<b>79,689</b>	<b>84,534</b>	<b>84,534</b>	<b>0</b>

# YOUTHBUILD

## CHANGES IN FY 2017

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments \$0

Grants, subsidies, and contributions 0

RTAA 0

**Built-Ins Subtotal \$0**

**Net Program \$0**

**Direct FTE 0**

	Estimate	FTE
<b>Base</b>	<b>\$84,534</b>	<b>0</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>



## WOMEN in APPRENTICESHIP

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
<b>Activity Appropriation</b>	<b>994</b>	<b>994</b>	<b>0</b>	<b>-994</b>
FTE	0	0	0	0

### **Introduction**

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

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

### **Funding Mechanism**

WANTO programs operate on a program year calendar. WANTO grants are awarded to community-based organizations, which form partnerships with labor organizations, RA program sponsors, community colleges, and employer-related non-profit organizations.

### **FY 2017**

The Department is not requesting funding for WANTO in FY 2017 (PY 2017) for the period of July 1, 2017 through June 30, 2018. Although this program is intended to address a critical need, we believe that these needs can be addressed more efficiently and effectively through the Apprenticeship Grants. Out of the \$90,000,000 proposed, \$13,500,000 is currently targeted to Community Based Organizations and Workforce Intermediaries to develop improved pathways to apprenticeship for underrepresented populations. Furthering economic opportunities for women and underrepresented populations in non-traditional sectors, among other groups, will remain a core value and goal of the Apprenticeship Grants program. Through these grants,

## **WOMEN in APPRENTICESHIP**

women will be further engaged in economic opportunity programs, specifically through the ‘Increasing Opportunities’ facet of the new grants program. The ApprenticeshipUSA Innovation grants will support industry-driven solutions that will allow employers a more broadly comprehensive approach to recruit, train, and retain world-class talent.

Additionally, the Workforce Innovation and Opportunity Act of 2014 (WIOA) provides a new opportunity for a greater collaboration between RA and the public workforce system. The use of programmatic funds will provide the necessary foundation to foster a strong collaboration by strengthening the national apprenticeship system. These funds will create more opportunities for women by expanding the number of apprenticeships and creating new avenues for apprenticeships outside of traditional sectors.

Lastly, the Department is developing proposed changes to regulations for Equal Employment Opportunity (EEO) in Registered Apprenticeship (29 CFR Part 30). These proposed revisions seek to improve the effectiveness of RA program sponsors’ affirmative action efforts. These revisions to the program’s regulatory framework should lead to expanded promotion of RA and non-traditional job opportunities for women and other under-represented populations in PY 2017.

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

### **FY 2016**

Congress funded the WANTO grants at \$994,000 for PY 2016, or the period of July 1, 2016 through June 30, 2017.

The PY 2016 funds will provide additional financial support to the national network of TA centers established in PY 2015. These TA centers work directly with the public workforce system and a broad range of RA program sponsors to assist women, women of color, and women with disabilities to enter, remain, and succeed in RA and non-traditional occupations.

The TA provided by these centers includes:

- Developing linkages and connections with pre-apprenticeship programs to prepare women for apprenticeship, including Adult Basic Education, English as a Second Language instruction, and financial literacy.

## **WOMEN in APPRENTICESHIP**

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

### **FY 2015**

Congress funded the WANTO grants at \$994,000 for PY 2015, or the period of July 1, 2015 through June 30, 2016.

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

## WOMEN in APPRENTICESHIP

<b>DETAILED WORKLOAD AND PERFORMANCE</b>						
	<b>PY 2014 Enacted</b>		<b>PY 2015 Enacted</b>		<b>PY 2016 Enacted</b>	<b>PY 2017 Request</b>
	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Women in Apprenticeship</b>						
<b>Strategic Goal 1 - Prepare workers for better jobs</b>						
<b>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</b>						
Number of Registered Apprenticeship Program Sponsors Provided Technical Assistance	39	69	39	TBD	39	NA

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

## **WOMEN in APPRENTICESHIP**

### **Workload and Performance Narrative**

In FY 2017, the Department proposes to eliminate funding for Women in Apprenticeship. The Department has generally competitively awarded three WANTO grants per annual appropriation to cover a two-year period of performance for the selected grantees. Beginning with the FY 2011 appropriation, the Department used a measure of performance, the Number of Participants Entering Employment as measured by placement into Registered Apprenticeship or related employment, to track the number of women being trained and placed by the WANTO grantees during the two-year performance cycle.

With the new programmatic funding to be used for apprenticeship grants, the Department expects that this population will be better served through this broader effort, and that we will continue to see better outcomes for this population.

## WOMEN in APPRENTICESHIP

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	994	994	0	-994
	<b>Total</b>	<b>994</b>	<b>994</b>	<b>0</b>	<b>-994</b>

## JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	FY 2015 <sup>1</sup>	FY 2016 <sup>2</sup>	FY 2017 <sup>3</sup>	Diff. FY17 Request / FY16 Enacted
<b>Activity Appropriation</b>	<b>175,029</b>	<b>139,644</b>	<b>160,200</b>	<b>0</b>
FTE	0	0	0	0

### **Introduction**

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

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

The Department’s goal is to help American workers develop the high-level skills needed by these employers. The Department’s ongoing dialogue with employers in in-demand sectors such as information technology, cybersecurity and broadband technology, advanced manufacturing, and health care has confirmed that there are jobs in the United States that are going unfilled.

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

<sup>1</sup> FY 2015 reflects actual collections of \$175,949,000, less a temporary sequestration reduction of \$12,844,000, plus \$11,924,000 for funds that were sequestered in FY 2014 and became available in FY 2015.

<sup>2</sup> FY 2016 reflects estimated collections of \$150,000,000, less an estimated temporary sequestration reduction of \$10,200,000, less a transfer of \$13,000,000 to the Office of Foreign Labor Certification, plus \$12,844,000 for funds that were sequestered in FY 2015 and became available in FY 2016.

<sup>3</sup> FY 2017 reflects estimated collections of \$150,000,000 plus an estimated \$10,200,000 for funds that will be temporarily sequestered in FY 2016 and will become available in FY 2017.

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

Furthermore, moving workers up along a career pathway allows new entrants into the workforce who are just beginning their technical careers. The Department intends to support training and education models that directly lead to highly-skilled technical jobs.

### **Five-Year Budget Activity History**

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2012	\$0	0
2013	\$0	0
2014	\$0	0
2015	\$0	0
2016	\$0	0

### **Funding Mechanism**

These 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 2017**

Grants in FY 2017 will be awarded to partnerships of private and public sector entities. These partnerships include entities involved in administering the workforce investment system established under Title I of the Workforce Innovation and Opportunity Act (WIOA); business-related nonprofit organizations such as trade associations, industry associations or consortium of employers; education and training providers, including community colleges and community-based organizations; economic development agencies; and other partners that reflect the character and resources of the local or regional economy.

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

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

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

grantees to leverage resources to complement grant activities and sustain them once the grants have expired.

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

### **FY 2016**

On November 17, 2015 the Administration announced the availability of \$100,000,000 in H-1B training funds to support innovative approaches to moving lower skilled workers with barriers to training and employment on the fastest paths to well-paying information technology and high growth jobs in industries, such as healthcare, advanced manufacturing, financial services, and other in-demand sectors. The TechHire Partnership grants--anticipated awards of approximately \$100,000,000 in the summer of 2016--will focus on providing workers the skills for a pathway to the middle class while providing employers with the skilled technology workers they need to grow and expand. This grant program will serve people with barriers to accessing training. It will serve both unemployed and low skilled front line workers. At least \$50,000,000 will be awarded for projects serving youth or young adults ages 17-29 with barriers to training and employment opportunities. The remaining grant funds will be awarded to projects serving special populations defined as: individuals with disabilities, individuals with limited English proficiency, or individuals with criminal records. Grants will pilot and scale innovative partnerships between employers, workforce boards, training institutions, non-profit organizations, and cities and states across the country. These partnerships will support the implementation of job-driven training strategies to help workers complete basic and technical skills training using evidence-based strategies such as accelerated learning, work-based learning and Registered Apprenticeships.

As a part of the Administration's efforts to support working families, the Department announced approximately \$25,000,000 in grant funds available for the Strengthening Working Families Initiative (SWFI) grant program on December 17, 2015. The grant program is designed to address education and training barriers for low- to middle-skilled parents by prioritizing the needs of this targeted population; addressing child care needs for parents seeking education and training; increasing access to child care resources; and bridging the gap between the workforce development and child care systems. The grants will support public-private partnerships that address systemic barriers, enabling parents to access training and customized supportive services needed for IT, health care, advanced manufacturing jobs, among others. All participants in grant funded projects must be custodial parents, legal guardians, foster parents, or others standing *in loco parentis* with at least one dependent. Up to 25 percent of the grantees total budget may be used to provide quality, affordable care and other services to support their participation in training. These grants will be awarded in the spring of 2016.

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

Additionally, the Department announced its intent to make \$25,000,000 in funds available for an online skills academy through a public listening session to gather information and explore the feasibility of increasing cost-effective delivery and leveraging technology to offer open online courses of study, helping students earn credentials online through participating accredited institutions while speeding the time to credit and completion. Building off the burgeoning marketplace of free and open-licensed learning resources, including content developed through the Trade Adjustment Assistance Community College and Career Training grant program, the online skills academy will enable workers to obtain more education and training needed to advance their careers.

### **FY 2015**

On September 9, 2015, the U.S. Department of Labor awarded approximately \$175,000,000 to 46 applicants through its American Apprenticeship grant competition. The grantees will train and hire more than 34,000 new apprentices in industries as diverse as healthcare, IT, and advanced manufacturing over the next five years and are committed to expanding apprenticeship programs in new and growing industries, to align apprenticeships with further education and career advancement, and to scale proven apprenticeship models that work. Information on these grants can be found at: <http://www.dol.gov/apprenticeship/grants.htm>.

These grants are part of a broader commitment from the Department to create more opportunities for hard-working Americans by advancing job-driven training initiatives that help American workers acquire the skills they need to succeed in good jobs that are available now. Grants funded by this initiative are supporting dynamic and sustainable public-private partnerships that:

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

In October 2014, the Ready to Work Partnership grant program awarded nearly \$170,000,000 to 23 partnerships providing services in 20 states and Puerto Rico. The Ready to Work grant program is designed to provide long-term unemployed workers with individualized counseling, training and supportive and specialized services leading to rapid employment in occupations and industries for which employers use H-1B visas to hire foreign workers. A small percentage of other unemployed and/or incumbent workers may also be served through this program. Ready To Work projects are built around a comprehensive, up-front assessment of long-term

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

unemployed individuals' needs and skills, resulting in customized interventions across three tracks: 1) intensive coaching and other short-term, specialized services culminating in direct job placement into middle and high-skilled jobs; 2) short-term interventions leading to employment into middle and high-skilled jobs; and 3) accelerated skills training along a career pathway to middle and high skilled jobs. Information on these grants can be found at:

[www.doleta.gov/readytowork](http://www.doleta.gov/readytowork).

## JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

<b>DETAILED WORKLOAD AND PERFORMANCE</b>						
	PY 2014		PY 2015		PY 2016	PY 2017
	Target	Result	Target	Result	Target	Target
<b>Job Training for Employment in High Growth Industries</b>						
<b>Strategic Goal 1 - Prepare workers for better jobs</b>						
<b>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</b>						
Six-Months Average Earnings	N/A	--	N/A	--	--	TBD
Total Enrolled in Training	70,450	86,615	82,636	--	TBD	TBD
Total Completed Training	64,296	57,594	74,903	--	TBD	TBD
Total Participants Who Complete Education/Training Activities that Receive a Degree or Other Credential	59,103	50,262	66,760	--	TBD	TBD
Total Number of Participants Who Complete Education and Training Activities Who Enter Unsubsidized Employment	25,531	9,477 <sup>1</sup>	37,323 <sup>2</sup>	--	TBD	TBD
Total Number of Participants Who Retain Unsubsidized Employment	56,613	5,038	56,613 <sup>3</sup>	--	TBD	TBD

<sup>1</sup> Only includes unemployed workers.

<sup>2</sup> The target includes non-completion based entered employment targets for the H-1B Ready to Work grant program. While completion based employment is tracked as an outcome, we do not have a target for this goal and have instead included the H1-B RTW target for all participants served that enter employment.

<sup>3</sup> This goal does not include an employment retention target for H-1B Ready To Work grants, as these grants did not provide targets for employment retention. Employment retention will be tracked separately through the performance indicators only.

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

## **Workload and Performance Narrative**

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

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

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

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

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

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

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	
41.0	Grants, subsidies, and contributions	175,029	139,644	160,200	
	<b>Total</b>	<b>175,029</b>	<b>139,644</b>	<b>160,200</b>	

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

**CHANGES IN FY 2017**  
(Dollars in Thousands)

<b>Activity Changes</b>	
<b>Built-In</b>	
To Provide For:	
Grants, subsidies, and contributions	\$0
<b>Built-Ins Subtotal</b>	<b>\$0</b>
<b>Net Program</b>	<b>\$0</b>
Direct FTE	<b>0</b>