

# Secretary's Message

November 15, 2006



Fiscal Year 2006 has been an exciting and productive year in which our efforts at the Department of Labor were keenly focused on *Maximizing the Mission*. I am proud to submit my sixth annual Performance and Accountability Report to Congress and the American people. Not only is this report the culmination of the Department's assessment of its FY 2006 program and financial performance, but it is the transition from the strategic goals set out in the Department's FY 2003-2008 Strategic Plan to our new plan for FY 2006-2011. Our updated plan was submitted to Congress on September 29, 2006, and will guide the Department's efforts over the coming years.

The four strategic goals that are the basis of this report – *A Prepared Workforce*, *A Secure Workforce*, *Quality Workplaces*, and *A Competitive Workforce* – have served us well. The Strategic Plan update provided a fresh look at the goals, strategies, and targets to which we will hold ourselves accountable as we tackle the challenges of the future. The new goals are:

- *A Prepared Workforce* provides training and services to new and incumbent workers and supplies quality information on the economy and labor market.
- *A Competitive Workforce* enhances the effectiveness and efficiency of the workforce development and regulatory systems that assist workers and employers in meeting the challenges of worldwide competition.
- *Safe and Secure Workplaces* ensures that workplaces are safe, healthful, and fair; provides workers with the wages due them; provides equal opportunity; and protects veterans' employment and re-employment rights.
- *Strengthened Economic Protections* protects and strengthens economic security; ensures union transparency; and secures pension and health benefits.

## President's Management Agenda

The President's Management Agenda continues to be the central focus for the Department's efforts in management improvement. As of September 2006, the Department remained the only Cabinet Department agency to achieve a "green" status on all five of the government-wide President's Management Agenda initiatives: *Strategic Management of Human Capital*, *Competitive Sourcing*, *Improved Financial Performance*, *Expanded Electronic Government*, and *Budget and Performance Integration*. And last December, the Department received the President's Quality Award for *Performance in Integrating Management Systems*, becoming the first Department to achieve this overall award for management excellence.

## Responding to Evolving Employment and Training Needs

The Department has been pursuing essential strategies for innovative approaches to spur regional workforce development, give workers greater flexibility to reach their career goals, and create a workforce investment system that better supports workers. Most job growth over the past five years has been in occupations that require post-secondary education. Linking workers to the information, training, and resources that will help them gain the skills they need to be competitive is the key to accessing greater economic opportunities in the 21<sup>st</sup> century.

To accomplish these goals, the Department has awarded grants to create partnerships among the public workforce system; business and industry; education and training providers; and the economic development community. This will help prepare workers for jobs in high-growth, high-demand sectors of the economy, such as health care, energy, and advanced manufacturing. The Department has also provided competitive grants to strengthen the capacity of community and technical colleges to train workers in the occupations and skills required by today's employers. Investments in competitively selected economic regions across the country promote innovative approaches to education and workforce development that transcend State borders and other traditional boundaries. By placing more training dollars directly in the hands of workers, workers are empowered to acquire the skills they need and control their own careers.

### **Worker Protections**

The Department continues to focus on the challenges and opportunities to protect workers' health, safety, benefits, and pay, and union members' rights through strong and fair enforcement complemented by compliance assistance. Promoting worker safety and health remains a challenge as the demographics and nature of work evolve. By placing our emphasis on high-risk workplaces and focusing our resources on the strategies that can best mitigate these risks, we can make a difference. In the area of union transparency, for the first time ever, union members have access to information about their union's financial solvency, integrity and priorities, as well as any financial conflicts of interest among their officials. The Department has maintained a strong capacity for directed investigations and a front-line enforcement presence to protect the hard-earned wages of our nation's most vulnerable workers. The Department has also made great strides in protecting the rights of working veterans through outreach activities to employers and service members, particularly for those fighting the Global War on Terror.

### **Retirement Security**

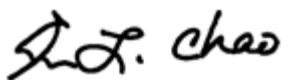
Retirement security remains a high priority of the Department and enactment of the Pension Protection Act of 2006 will strengthen our ability to ensure a more secure retirement system for America's workers. We will implement this historic new law and provide effective enforcement and compliance assistance to retirement and health plans. We will also strengthen management for the defined benefit plans trustee by the PBGC and protect the retirement security of the 1.3 million participants whose benefits will be paid by the federal insurance program.

### **Program Data and Financial Systems**

Department of Labor managers routinely use the performance and financial information summarized in this report to improve the quality and cost-effectiveness of the services we provide to the public. For management and accountability purposes, it is crucial to have confidence in the quality of this information. Program performance data presented in this report are complete and reliable; there are no material inadequacies as defined by the Office of Management and Budget (OMB) in Circular A-11. Program performance data quality, assessment of internal controls pursuant to the Federal Managers' Financial Integrity Act (FMFIA) and compliance of financial management systems with the Federal Financial Management Improvement Act of 1996 (FFMIA) are discussed in greater detail in the Management's Discussion and Analysis section of this report.

### **Conclusion**

This 2006 Performance and Accountability Report is a comprehensive evaluation of our achievements against an ambitious and challenging set of goals and targets. The dedicated employees of the Department have helped to achieve program results that keep America's workers prepared, competitive, and safe and healthy on the job. We have also worked vigorously to protect retirement security, ensure fair compensation, and promote new and innovative ways to strengthen our Nation's workforce as we move forward in the 21st century.



Elaine L. Chao  
Secretary of Labor