

**DEPARTMENT OF LABOR  
FY 2005 PERFORMANCE BUDGET  
OVERVIEW**

## Table of Contents

Introduction.....	1
Secretary’s Priorities.....	1
Strategic Goal Cost Model.....	2
Relationship of the FY 2005 Performance Budget to the FY 2005 Annual Performance Report .....	4
Strategic Goal 1 — A Prepared Workforce: Enhance opportunities for America’s workforce.....	4
Strategic Goal 2 — A Secure Workforce: Promote the economic security of workers and families .....	5
Strategic Goal 3 — Quality Workplaces: Foster Quality Workplaces that are safe, healthy and fair .....	6
Strategic Goal 4 — A Competitive Workforce: Maintain competitiveness in the 21 <sup>st</sup> Century economy ..	7
DOL FY 2005 Outcome and Performance Goals .....	9
Outcome Goal 1.1 — Increase employment, earnings and retention.....	9
Outcome Goal 1.2 — Increase opportunities for youth employment .....	12
Outcome Goal 1.3 — Improve the effectiveness of information and analysis on the U.S. economy.....	14
Outcome Goal 2.1 — Increase compliance with worker protection laws.....	16
Outcome Goal 2.2 — Protect worker benefits .....	18
Outcome Goal 3.1 — Reduce workplace injuries, illnesses, and fatalities.....	21
Outcome Goal 3.2 — Foster equal opportunity workplaces .....	22
Outcome Goal 4.1 — Equip Workers to Adapt to the Competitive Challenges of the 21 <sup>st</sup> Century .....	24
Outcome Goal 4.2 — Promote job flexibility and minimize regulatory burden.....	25
Meeting the President’s Management Agenda .....	27
Program Assessment Rating Tool (PART).....	28

**DEPARTMENT OF LABOR  
FY 2005 PERFORMANCE BUDGET**

**OVERVIEW**

**Introduction**

The Department of Labor's FY 2005 Congressional Budget Justification represents the first complete effort to integrate the formerly separate annual performance plan's performance objectives with resource requirements into a performance-budget submission. The FY 2005 request, at \$14.657 billion in budget authority before the Committee and 17,419 full-time equivalents (FTE) is built around the strategic goals and performance measures developed for the FY 2003-2008 Strategic Plan, which articulate the Secretary's priorities and the core directions of the Department.

The Department's FY 2005 performance-budget builds upon the Department's three strategic goals of *A Prepared Workforce*; *A Secure Workforce*; and *Quality Workplaces*. In this FY 2005 budget, DOL addresses a newly developed fourth Departmental strategic goal: *A Competitive Workforce*. This fourth goal focuses on equipping workers to adapt to rapidly evolving challenges while promoting job flexibility and minimizing regulatory burden.

Through this performance-budget the Department is also able to present its FY 2005 Annual Performance Plan, which sets out specific annual performance targets and the strategies to attain them. Because of the variety of Departmental agency missions and their extensive and wide-ranging performance goals, this section provides the set of key agency goals upon which the Department's annual performance will be measured and reported in the FY 2005 Annual Performance Report.

**Secretary's Priorities**

The mission of the Department of Labor (DOL) is to promote the welfare of the job seekers, wage earners, and retirees of the United States by improving working conditions, expanding opportunities for training and profitable employment, protecting retirement and health care benefits, helping employers find workers, strengthening free collective bargaining, and tracking changes in employment, prices, and other national economic measurements.

The FY 2005 budget submission includes several key initiatives:

- Preparing America's 21<sup>st</sup> Century Workforce, including a new Community College Initiative;
- Giving individuals more control over their return-to-work efforts and helping dislocated workers;
- Strengthening compliance assistance efforts;
- Strengthening worker protection and retirement security;
- Supporting young and adult offenders make the transition from incarceration to full employment;
- Implementing the President's Management Agenda; and

- Supporting program improvements related to the Administration’s Program Assessment Rating Tool (PART).

**Strategic Goal Cost Model**

To accomplish the Secretary’s priorities in FY 2005, DOL will use its resources to accomplish four strategic goals and supporting outcome goals:

**Goal 1—A Prepared Workforce:** *Enhance opportunities for America’s workforce*  
*Outcome Goal 1.1 Increase Employment, Earnings and Retention*  
*Outcome Goal 1.2 Increase Opportunities for Youth Employment*  
*Outcome Goal 1.3 Improve the Effectiveness of Information and Analysis on the U.S. Economy*

**Goal 2—A Secure Workforce:** *Promote the economic security of workers and families*  
*Outcome Goal 2.1 Increase Compliance with Worker Protection Laws*  
*Outcome Goal 2.2 Protect Worker Benefits*

**Goal 3—Quality Workplaces:** *Foster quality workplaces that are safe, healthy and fair*  
*Outcome Goal 3.1 Reduce Workplace Fatalities, Injuries, and Illnesses*  
*Outcome Goal 3.2 Foster equal opportunity workplaces*

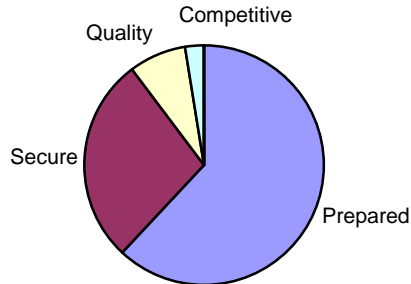
**Goal 4—A Competitive Workforce:** *Maintain competitiveness in the 21<sup>st</sup> Century economy*  
*Outcome Goal 4.1 Equip Workers to Adapt to the Competitive Challenges of the 21<sup>st</sup> Century*  
*Outcome Goal 4.2 Promote Job Flexibility and Minimize Regulatory Burden*

These goals embrace the range of employment and labor laws enacted by the U.S. Congress and administered by the Department’s programs and also incorporate the vision and leadership priorities of DOL. As shown in the following table, the FY 2005 DOL request of \$11.9 billion in discretionary budget authority represents a \$0.2 billion increase over FY 2004.

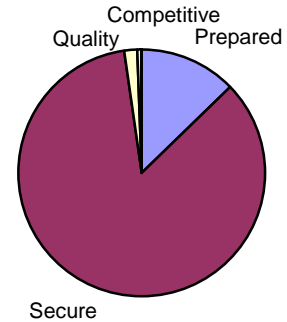
<b>FY 2005 DOL Request</b> (Dollars in Billions)			
	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>
<b>Discretionary:</b>	\$11.733	\$11.903	<b>+\$0.170</b>
<b>Mandatory:</b>	\$2.975	\$2.754	<b>-\$0.221</b>
<b>Total, Before the Committee</b>	\$14.708	\$14.657	<b>-\$0.051</b>
<b>Legislation Proposed for Later Transmittal</b>	\$0.000	\$2.712	<b>\$2.712</b>
<b>Subtotal, With Legislative Proposals</b>	\$14.708	\$17.369	<b>\$2.661</b>
<b>Permanent Authority (Legislative Committees)</b>	\$45.323	\$39.953	<b>-\$5.371</b>
<b>Grand Total, Department of Labor</b>	\$60.031	\$57.321	<b>-\$2.710</b>
<b>Full Time Equivalents (FTE)</b>	17,347	17,419	<b>72</b>

The following charts illustrate how the FY 2005 DOL Request supports each Strategic Goal:

**FY 2005 Discretionary - \$11.9 Billion**



**FY 2005 Total - \$57.3 Billion**



In addition, the Department has included several significant increases in its FY 2005 submission that support the outcome goals identified above. The following table identifies these initiatives, the amounts requested, and the outcome goals they support:

		<b>FTE</b>	<b>Amount (000s)</b>
<b>Outcome Goal 1.1 - Increase Employment, Earnings and Retention</b>			
ETA	Prisoner Reentry Initiative	0	\$35,000
ETA	Personal Reemployment Accounts	0	\$50,000
ETA	Dislocated Worker Program	0	\$6,763
ETA	Foreign Labor Certification	0	\$11,754
<b>Outcome Goal 2.1 - Increase Compliance with Worker Protection Laws</b>			
OASP	Compliance Assistance	0	\$862
ESA	Low Wage Industry Enforcement	12	\$1,060
ESA	Compliance Assistance	2	\$296
ESA	Union Financial Integrity Protection	35	\$3,900
<b>Outcome Goal 2.2 - Protect Worker Benefits</b>			
ETA	UI Eligibility Review Program	0	\$20,000
EBSA	Enhance Employee Pension and Health Benefits Security	30	\$5,138
<b>Outcome Goal 3.1 - Reduce Workplace Fatalities, Injuries, and Illnesses</b>			
OSHA	Whistleblower Investigations	0	\$2,000
OSHA	Compliance Assistance	2	\$4,364
OSHA	Small Business Outreach	0	\$500
OSHA	On-Site Consultative Services	0	\$1,700
<b>Outcome Goal 3.2 - Foster equal opportunity workplaces</b>			
ESA	Compliance Programs K-OFIS Redesign	0	\$350

<b>Outcome Goal 4.1 - Equip Workers to Adapt to the Competitive Challenges of the 21<sup>st</sup> Century</b>			
ETA	Community College Initiative	0	\$250,000
VETS	Transition Assistance Program Overseas	0	\$1,468
VETS	Transition Assistance Program Stateside	0	\$949
<b>Outcome Goal 4.2 - Promote Job Flexibility and Minimize Regulatory Burden</b>			
ESA	Regulatory Responsibilities	2	\$421

### **Relationship of the FY 2005 Performance Budget to the FY 2005 Annual Performance Report**

The four strategic goals and supporting outcome goals are in turn supported by performance goals and measures. The performance goals form the basis of the annual targets and associated strategies and resource requirements and are presented in greater detail within the agency performance-budgets. The Department will measure the key agency goals identified below for determining performance accomplishment in the FY 2005 Annual Performance Report.

#### **Strategic Goal 1 — A Prepared Workforce: *Enhance opportunities for America’s workforce***

A strong national economy depends, in part, on preparing workers to be qualified job candidates possessing skills that are relevant to the needs of today’s employers. In addressing this challenge, the Department must work with a wide spectrum of job seekers, including those with the necessary job qualifications as well as those with special needs such as the disadvantaged, people with disabilities, veterans, disadvantaged youth, and those who have lost their jobs due to foreign competition. Addressing the job seekers’ needs — *A Prepared Workforce* — is further complicated by the dynamics of the changing workplace. New technologies, increased market-place competition, and changing labor markets have prompted employers to downsize, change employment patterns, and seek alternative labor sources such as qualified foreign workers. In today’s volatile job market, a job seeker may be trained, employed, and promoted, only to again experience unemployment as a result of market factors such as foreign competition.

In FY 2005, the Department proposes to dedicate \$7.3 billion of its discretionary budget authority for agency specific strategies supporting this strategic goal. These strategies include \$6.5 billion for training and employment programs in the Employment and Training Administration, \$208.5 million for training and employment programs targeted at veterans through the Veterans’ Employment and Training Service, and \$533.5 million for funding to the Bureau of Labor Statistics dedicated to improving the effectiveness of information and analysis on the U.S. economy.

While employers and workers bear ultimate responsibility for adapting to these challenges, the Department has a leadership responsibility to support the needs of the changing workforce and position the U.S. for continued economic development and growth. To provide essential leadership to meet further challenges, the Department must shift into a more forward-looking role that emphasizes:

- Promoting full potential through grants for training in community and technical colleges focusing on training in industries with skill shortages;
- Providing jobs, not red tape, through personal reemployment accounts offering individuals flexibility in training choices;
- Focusing on success by reforming Federal job training and employment programs; and
- Offering better, faster foreign labor certification.

**Strategic Goal 2 — A Secure Workforce:** *Promote the economic security of workers and families*

The Department is committed to achieving the highest level of protections for our workforce, including:

- Protecting workers’ wages and working conditions,
- Providing unemployment compensation and other benefits when workers are unable to work, and
- Expanding, enhancing, and protecting workers’ retirement plans, health care plans, and other benefits.

The Department proposes \$3.2 billion of discretionary budget authority in FY 2005 to conduct programs and activities that support *A Secure Workforce*. These programs include \$2.8 billion for state unemployment insurance administration and other ETA programs, \$132.3 million for EBSA to protect the nation’s pension and health insurance system, and \$323.5 million for ESA programs supporting this strategic goal.

While our commitment to worker protection is steadfast, our approach is expanding to provide extensive compliance assistance in helping employers comply with our regulations. Compliance assistance, along with targeted enforcement, will help prevent violations, leverage our resources, and position the Department to deal with emerging challenges.

Protecting vulnerable populations, and protecting and expanding pension and health care coverage will continue to be key issues. Structural changes are not expected to remove or lessen workers’ risk of experiencing unemployment in our dynamic market economy and so, the unemployment insurance system must continue to adapt to the changing character of the workforce, the job market, and the nature of unemployment itself.

The Nation is expected to have an older and more highly educated workforce, increasing our reliance on foreign workers to fill employment needs in lower-skilled, low-wage occupations. In addition, we expect increased use of temporary employees and “sub-contracting” arrangements by employers. These latter populations of workers are more vulnerable to exploitation, and protecting them will continue to be a key focus. In certain industries, violations of labor standards governing wages and working conditions are more often egregious and complaints less common. Employers in many labor-intensive industries, such as agriculture, garment, health care, guard and janitorial services, restaurants, hotels/motels and day-haul, have at times skimmed on wages and benefits, while their workers — both legal and undocumented immigrants — are less likely than other types of workers to complain.

The ability of workers to achieve retirement and health care security is also becoming more difficult. The once-common defined benefit pension plan is giving way to defined contribution plans — pre-tax individual savings accounts such as 401(k)'s. Thus, where once many workers could look forward to a secure lifetime pension after retirement, workers now must take on more responsibility for retirement savings and planning, including making investment decisions and managing investment risks. In addition, both employers and employees are burdened with rising health care costs, and an increasing number of workers with private sector health benefits are enrolled in managed care type health care plans with some component of self-insurance.

The profile of workplace injuries has changed along with the changing economy, requiring new disability management and vocational rehabilitation approaches. In the Federal sector, the number of Federal jobs available to recovering injured workers is declining and the average age of Federal workers is rising. The modern workplace is demanding that workers retrain and upgrade skills. These factors make assisting return-to-work and reducing disability time loss in workers' compensation cases a greater challenge for the Department.

**Strategic Goal 3 — Quality Workplaces:** *Foster Quality Workplaces that are safe, healthy and fair*

All American workers are entitled to safe, healthy, and fair workplace environments. This *Quality Workplaces* goal commits DOL to promoting work sites where safety and health hazards are minimized and where equal opportunities and fairness to working people are fostered.

OSHA and MSHA represent the agencies with the largest share of the Department's budget resources dedicated to supporting *Quality Workplaces*. Overall, in FY 2005 the Department requests \$0.9 billion in discretionary budget authority to support this strategic goal, including, \$461.6 million for OSHA programs and \$275.5 million for MSHA programs.

Significant progress has been made in protecting workers from occupational safety and health threats. In the past thirty years, workplace fatalities have been cut in half and occupational injury and illness rates have declined forty percent. However, the Department continues to confront a variety of challenges. The number of workers DOL is responsible for protecting has expanded dramatically, nearly doubling between during this period, from 56 million workers at 3.5 million worksites to 109 million workers at 7 million sites. Rapid technological advances and dynamic workplace environments have changed the nature of work, leading to new health and safety issues. For example, the increase in service sector work and some automated processes have resulted in new body stressors and injuries. The Department's strategies for reducing workplace hazards have not traditionally addressed these segments of the workforce. Changes in workplace demographics create an increasing challenge to work place safety and health — the increase of non-English speakers, a growing percentage of young workers, those continuing to work at an older age, and the rapidly increasing number of temporary workers.

The mining environment, whether underground or surface, is complex and ever-changing. Unseen geologic instabilities, constantly changing terrain, and the prevalence of large and



complex haulage and mining equipment are a few of the factors that make maintaining mine safety a continuing challenge.

Equality and fair play are central values in our national life. While minorities and women have made great strides in achieving equality in the American workplace, there is room for improvement. DOL promotes these values through its administration of anti-discrimination and equal employment opportunity regulations for Federal contractors and subcontractors, who employ more than 20 percent of the labor force in America or approximately 26 million workers.

Improving the safety and health of the American workplace must come from a partnership of worker, employer, and government. Each entity has a responsibility to seek out and share the best methods and practices as the conditions and demands of an evolving economy warrant.

**Strategic Goal 4 — A Competitive Workforce:** *Maintain competitiveness in the 21<sup>st</sup> Century economy*

Our country's future economic development and ability to be competitive in a global economy depend on the competitiveness of our workforce. To succeed, our policies must embrace the emerging changes in our economy — in how we actually work, where we work, what skills we need, and how we balance our professional and family lives.

Since it is a new strategic goal for DOL, budget resources requested in FY 2005 for programs supporting *A Competitive Workforce* represent the smallest share allocated to the four strategic goals. However, this does not reflect the importance and focus that the Department attaches to the efforts under this forward-looking goal. The Department requests \$303.1 million in discretionary budget authority in FY 2005 for programs that strive to maintain competitiveness in the 21<sup>st</sup> Century economy. Of the resources requested for ETA, \$250.0 million is related to *A Competitive Workforce* offering grants for training in community and technical colleges focusing on training in industries with skill shortages.

As the 21<sup>st</sup> Century unfolds, the American workforce will be vastly different than it is today. Two powerful forces will transform the workforce and the manner in which we work:

- A sharp increase in the demand for knowledge workers, and
- Greater use of alternate work arrangements that do not fit the traditional work model.

These forces have significant implications for our economy and the way DOL approaches its mission. Our challenge is to tackle these changes proactively to ensure that our programs, regulations, and regulatory processes address contemporary work environment issues and contribute to economic growth.

Our future prosperity demands the world's most skilled and productive workforce. A key aspect of meeting this challenge involves the long-term shift from goods-producing to service-producing employment associated with the decline in manufacturing employment and the dramatic increase in the demand for knowledge workers — people whose jobs require formal and advanced schooling. Knowledge workers now account for a third of the American

workforce, outnumbering factory workers by two to one. The demand for skilled workers is outpacing supply, resulting in attractive, high-paying jobs going unfilled. When companies do not find the talent they need within our borders, they seek it abroad. Global competition will reinforce the economic premium on knowledge workers, leaving low or unskilled U.S. workers increasingly vulnerable.

The shift to knowledge work will reinforce the ongoing trend of “non-traditional” work arrangements. Today, few workers can count on spending their entire careers within one company, and the average person will change jobs nine times or more before the age of 32. Full-time, stable, long-term employment arrangements will continue to decline. Instead, a growing number of workers will be part-timers, temporaries, consultants, or contractors.

Competing demands for American’s time are also increasing. Among the world’s industrialized nations, only the workers of Australia and Korea report working more hours than American and Japanese workers. Many workers are struggling to meet their family obligations, which have expanded in many cases to taking care of their elderly parents. Consequently, the need to balance work demands and home life will continue to be a growing concern.

While employers and workers bear ultimate responsibility for adapting to these challenges, DOL has a leadership responsibility to support the needs of the changing workforce and position the U.S. for continued economic development and growth. The knowledge-based workplace will require a higher level of technical skills creating opportunities for many to succeed, but carrying the potential for some to fall farther behind. At the same time, an increasingly competitive and global economy will put pressure on our regulatory environment. Historically, we developed our labor policies and programs under conditions of labor surpluses and based our employment laws and regulations on traditional, full-time, long-term work arrangements. Over the next two decades, the relevance of these, and other assumptions will be challenged.

DOL has made significant progress advancing labor issues for many years. However, for us to provide essential leadership to meet future challenges, we must shift into a more forward-looking role that emphasizes:

- Monitoring major issues;
- Coordinating resources;
- Addressing supply and demand imbalances;
- Identifying high-growth careers that require some post-secondary education but not four year degrees;
- Identifying high-growth industries and the career ladders they offer;
- Fostering a competitive economic environment; and
- Implementing practical, effective regulations and regulatory approaches.

## **DOL FY 2005 Outcome and Performance Goals**

### **Strategic Goal 1 — A Prepared Workforce: *Enhance opportunities for America's workforce***

How well the Department performs in assuring A Prepared Workforce will be assessed by targeting accomplishments for programs and initiatives supporting these three broad outcomes — *Increasing employment, earnings, and retention; Increasing opportunities for youth employment; and Improving the effectiveness of information and analysis on the U.S. economy.*

Agencies supporting this strategic goal are the Employment and Training Administration, Veterans' Employment and Training Service, the Bureau of Labor Statistics, the Women's Bureau, the Office of Disability Employment Policy and the Civil Rights Center.

#### **Outcome Goal 1.1 — *Increase employment, earnings and retention***

America's workers and employers must have quick and easy access to a broad array of high quality and highly effective workforce development services. While technology has dramatically increased the Department's ability to offer such services, DOL is continually challenged to refine and improve the nation's structure for DOL-funded workforce development programs so that it is responsive to the needs of the nation's businesses, the nation's job seekers, and those who want to further their careers. DOL also seeks to contribute to the improvement of the overall workforce system of employment and job training programs administered under the umbrella of the Workforce Investment Act, including other Federal partner programs.

The Workforce Investment Act will continue to provide the framework for the Federal government's workforce preparation and employment system. As part of the reauthorization of the Act in 2003, its key principles will be strengthened, including reinforcing a leadership role for business in ensuring that the system prepares people for current and future jobs; empowering customers with information, choices, and services to manage their own career development; and providing access to employment, education, training, and information services in neighborhood One-Stop Career Centers.

Significant increases in the FY 2005 request supporting this outcome goal include:

- \$50 million for Personal Reemployment Accounts;
- \$35 million for a Prisoner Reentry Initiative;
- \$11.8 million for Foreign Labor Certification; and,
- \$6.8 million for Dislocated Worker National Reserve.

Success in terms of our employment and training programs is clearly measurable in the marketplace by the degree to which businesses use our employment services, and hire and retain the graduates of our training programs. A key dimension of this measurement of success addresses DOL's special emphasis programs and the extent to which we have alleviated the high unemployment rates of individuals facing significant barriers to employment, including those with disabilities, limited English proficiency, homelessness, and special populations who have

traditionally experienced barriers to employment, such as veterans, older Americans, school dropouts, and migrant and seasonal farm workers.

Strategies for Outcome Goal 1.1 include:

- Expand apprenticeship opportunities;
- Increase individual control over employment and training;
- Improve performance accountability;
- Create more business partnerships;
- Improve the administration and delivery of services to trade-impacted workers;
- Increase employment opportunities for persons with barriers to employment;
- Increase opportunities for participation of low-income and hard- to-serve populations in employment and training programs through partnerships with community- and faith-based organizations;
- Develop more intergovernmental partnerships; and
- Demonstrate and assess new ways to assist veterans find jobs.

The performance measures and indicators related to this outcome goal evaluate the results of our employment and training services — they address whether participants obtain employment, remain employed, and receive higher wages. DOL is implementing these performance measures under the common measures initiative that will apply to twenty-nine Federal job training and employment programs including those administered by the Departments of Education, Housing and Urban Development, Health and Human Services, Veterans Affairs, and Interior. These performance measures will allow a comparison of the results of DOL’s adult employment and training programs with those of other federal programs.

**Outcome Goal 1.1 — Increase employment, earnings and retention**

<b>Performance Goal DOL-05-1.1A: Increase employment, retention and earnings of individuals registered under the Workforce Investment Act Consolidated Adult Program (ETA)</b>	
Indicator: Employment after program exit.	Baseline: Not available Target: 70%
Indicator: Retention in employment after program exit.	Baseline: Not available Target: 80%
Indicator: Earnings increase.	Baseline: Not available Target: TBD
Indicator: Efficiency in achieving outcomes.	Baseline: TBD Target: \$184.00

Indicator: The number of individuals who have disabilities who enter employment upon exiting the program.	Baseline: TBD in PY 2004 Target: TBD
Indicator: The number of individuals who have Limited English Proficiency who enter employment upon exiting the program.	Baseline: TBD in PY 2004 Target: TBD
Indicator: The number of individuals who are age 55 or older who enter employment upon exiting the program.	Baseline: TBD in PY 2004 Target: TBD
Indicator: The number of individuals who are homeless who enter employment upon exiting the program.	Baseline: TBD in PY 2004 Target: TBD
Indicator: The number of individuals who are migrant and seasonal farmworkers who enter employment upon exiting the program.	Baseline: TBD in PY 2004 Target: TBD
<b>Performance Goal DOL-05-1.1B: Strengthen the registered apprenticeship program to meet the training needs of business and workers in the 21<sup>st</sup> century (ETA)</b>	
Indicator: Number of registered apprentices registered by OATELS staff.	Baseline: 78,770 (FY 2003 result: 130,615) Target: At minimum 68,592
Indicator: Number of new programs in new and emerging industries and number of programs in High Growth Job Training Initiative.	Baseline: 266 (FY 2003 result: 359) Target: At minimum 366
<b>Performance Goal DOL-05-1.1C: Increase the employment, retention and earnings replacement of workers dislocated in important part because of trade who receive trade adjustment assistance benefits (ETA)</b>	
Indicator: Employment after program exit.	Baseline: Not available Target: 70 %
Indicator: Retention in employment after program exit.	Baseline: Not available Target: 89 %
Indicator: Earnings increase.	Baseline: Not available Target: TBD

Indicator: Efficiency in achieving outcomes.	Baseline: TBD Target: \$16,000
<b>Performance Goal DOL-05-1.1D: Improve the employment outcomes for veterans who receive One Stop Career Center services and veterans' program services* (VETS)</b>	
Indicator: Veterans: Employment after program exit.	Baseline: Not Available Target: 58%
Indicator: Veterans: Retention rate in employment after program exit.	Baseline: Not Available Target: 72%
Indicator: Disabled veterans: Employment after program exit.	Baseline: Not Available Target: 52%
Indicator: Disabled veterans: Retention rate in employment after program exit.	Baseline: Not Available Target: 65%
Indicator: Homeless veterans (subpopulation): Employment after program exit.	Baseline: FY 2002: 54% Target: 55%%
Indicator: Homeless veterans: Retention in employment after program exit.	Baseline: Not Available Target: 55%
Indicator: Homeless veterans: Efficiency in achieving outcomes.	Baseline: Not Available Target: TBD
<p>These performance indicators include the Administration's new common measures for federal job training and employment programs that are part of the Administration's proposal to reauthorize WIA. In PY 2004, DOL will provide baseline performance data and adjust or establish PY 2005 targets.</p> <p>Efficiency measures for all other programs in development.</p>	

**Outcome Goal 1.2 — *Increase opportunities for youth employment***

The youth population is once again a growing segment of our population. The majority of jobs will continue to require workers who have acquired knowledge and skills via two-year colleges, vocational training, moderate to long-term on-the-job training and real work experience. The result for those who do not obtain the education and skills that the workplace demands is clear: high school drop-outs are four times more likely to be unemployed than college graduates, and real earnings of college graduates have increased 16 percent, while those of high school graduates fell 8 percent.

To make our programs more comprehensive and supportive of the needs of today’s youth, we have adopted the following new principles to guide our programs:

- Ensuring that youth programs have a strong educational component;
- Bolstering opportunities for individuals with disabilities, minorities and disadvantaged populations; and
- Equipping individuals with the information they need to develop the knowledge, skills, and abilities sought by the new economy.

To this end, DOL is giving even stronger consideration to its role in collaboration with other partners, consistent with the WIA’s intent to broker and leverage funds from other sources to more adequately meet the needs of young people for job training and employment services. Specific initiatives in the FY 2005 request to support this outcome goal include \$12.0 million in ETA to implement an incentive program for WIA grantees to address barriers to employment of special populations (shared with Goal 1.1).

Strategies for Outcome Goal 1.2 include:

- Focus on Out-of-School Youth;
- Increase attainment of high school credentials;
- Enhance the mix and relevance of career offerings in youth training programs; and
- Increase business and intergovernmental partnerships.

The performance goals related to *Increase opportunities for youth employment* include increasing the placement of youth in education and employment; increasing the attainment of a diploma, GED or certificate; and increasing literacy and numeracy skills. As with the performance goals for Outcome Goal 1.1, these youth performance goals are a component of the common measures initiative. These performance measures will allow a comparison of the results of DOL’s youth employment and training programs with those of other Federal programs.

**Outcome Goal 1.2 — Increase opportunities for youth employment**

<b>Performance Goal DOL-05-1.2A: Increase placements and educational attainments for youth served through the WIA youth program (ETA)</b>	
Indicator: Percent of youth entering employment, post-secondary education, occupational skills training or the military one quarter after program exit.	Baseline: Not available Target: 65%
Indicator: Percent of youth earning a high school diploma, GED or certificate.	Baseline: Not available Target: 40%
Indicator: Increase in the literacy or numeracy skills of participants.	Baseline: Not available Target: 40%

Indicator: Efficiency in achieving outcomes.	Baseline: TBD Target: \$2,966.00
<b>Performance Goal DOL-05-1.2B: Improve educational achievements of Job Corps students, and increase participation of Job Corps graduates in employment and education * (ETA)</b>	
Indicator: Percent of youth entering employment, post-secondary education, occupational skills training or the military one quarter after program exit.	Baseline: Not available Target: 85%
Indicator: Percent of youth earning a high school diploma, GED or certificate.	Baseline: Not available Target: 61%
Indicator: Increase in the literacy or numeracy skills of participants.	Baseline: Not available Target: 40%
Indicator: Efficiency in achieving outcomes.	Baseline: TBD Target: \$22,455

\* Except for 1.1B, these performance indicators include the Administration's new common measures for federal job training and employment programs that are part of the Administration's proposal to reauthorize WIA. In PY 2004, DOL will provide baseline performance data and adjust or establish PY 2005 targets.

**Outcome Goal 1.3** — *Improve the effectiveness of information and analysis on the U.S. economy*

Maintaining competitiveness in the 21st Century requires Americans to be knowledgeable about trends in the global, national, and local economies. Public officials, business owners, and private citizens need to have access to up-to-date, high-quality information and statistics to formulate public policy, negotiate a purchasing agreement, or decide what field to pursue as a career. In all of these cases, people need sound data to make sound decisions.

The Department plays a crucial role in public and private decision-making processes by producing statistics that are timely, accurate, and relevant. While the ultimate outcome of this work is to enable individuals to make better-informed decisions, the Department cannot influence or measure the quality of decisions directly. The focus of this goal, then, is on producing statistics and improving the quality of the economic data, not only in terms of statistical validity, but also in terms of geographic detail, industry detail, demographic detail, and subject matter. Using the strategies described below, the Department will identify the most promising types of improvements, ranging from changing a statistical methodology to expanding the geographical scope of a data series to designing an entirely new survey. In addition, the Department will identify ways to improve the accessibility and usability of the data through enhanced dissemination methods.



Strategies for Outcome Goal 1.3 include:

- Better inform the public;
- Build value through innovation;
- Continually assess program priorities;
- Collaborate with other statistical agencies; and
- Address respondents' concerns and burden.

The performance measures for this outcome goal highlight the accomplishments of the programs. More specifically, the Department's statistical programs produce detailed information about the labor force, prices, compensation, and productivity that individuals, corporations, and public policy makers rely upon. A desirable outcome for a major statistical agency is the ability to aid its customers in both the public and private sectors to make better-informed decisions.

The OMB-sponsored Interagency Council on Statistical Policy's *Guidelines for Reporting Performance by Statistical Agencies* provides guidance on measuring and reporting on statistical program performance. Timeliness and accuracy are identified as critical aspects of performance as is achieving customer satisfaction with statistical products and services. Statistical programs need to be improved as shown through setting ambitious targets for relevancy and accuracy measures. All of these efforts support and track progress in improving information available to decision-makers.

**Outcome Goal 1.3 — Improve the effectiveness of information and analysis on the U.S. economy**

<b>Performance Goal DOL-05-1.3A: Improve information available to decision-makers on labor market conditions, and price and productivity changes (BLS)</b>			
<b>Performance Measures</b>	<b>Performance Targets</b>		
<b>Improve information available to decision-makers on labor market conditions, and price and productivity changes</b>	'03	'04	'05
Improve relevancy Improve data relevance by reflecting changes in the economy, as measured by the number of series (e.g., Current Employment Statistics, Employment Cost Index, etc.) converted to the North American Industry Classification System (12 series in total) [2002 baseline = 1 series]	4	8	9
Improve accuracy <i>Coverage:</i> Improve coverage by increasing the percent of domestic output of in-scope services included in the Producer Price Index (PPI) [1997 baseline = 38.8%] Improve coverage by increasing the percent of in-scope industries in the labor productivity measures [2000 baseline = 52.9%] <i>Response:</i> Improve the response to the Employment Cost Index [2002 baseline = 74%]	54.0%	59.2%	75.7%
	60.9%	61.4%	61.7%
	76%	78%	78%
Enhance information technology  Lessen the likelihood of major systems failures that could affect the PPI's ability to release data on time, as measured by the percent of the components of the new repricing system completed [2002 baseline = 2%]	10%	33%	66%

Enhance efficiency and effectiveness Improve the efficiency of the Employee Benefits Survey by accelerating the timeliness of benefit incidence data by 19 months without increasing production costs [2002 baseline = 24 months]	6		
Raise customer satisfaction with BLS products and services (e.g., the American Customer Satisfaction Index) [2001 baseline = 74%] 1/	74%	≥75%	≥75%
Deliver economic data on time (Percent of scheduled releases issued on time.) [2000 baseline = 99%]	100%	100%	100%
Percent of accuracy measures met (e.g., revision, response rates, etc.) [2000 baseline = 94%]	98%	100%	100%

1/ Currently, the BLS is exploring new customer segments and may rotate the measurement of these segments over time.

**Goal 2 — A Secure Workforce: *Promote the economic security of workers and families***

Retirement security, compliance assistance and enforcement toward protecting workers’ wages and working conditions, and providing unemployment compensation and other benefits when workers are unable to work are central to the DOL mission. The strategic goal of A Secure Workforce captures these priorities and consists of two outcome goals: *Increase Compliance With Worker Protection Laws*, which focuses on safeguarding employees’ wages, working conditions, and union democracy and financial integrity; and *Protect Worker Benefits*, which deals with relief in the form of unemployment, disability, and pension and health care insurance benefits.

Agencies supporting this strategic goal are the Employment and Training Administration, the Employment Standards Administration, the Employee Benefits Security Administration, and the Pension Benefits Guaranty Corporation.

**Outcome Goal 2.1 — *Increase compliance with worker protection laws***

The Department is committed to guaranteeing an honest day's pay for an honest day's work for employees — particularly the most economically disadvantaged and vulnerable workers. This includes administration of the Fair Labor Standards Act (FLSA), which establishes minimum wage, overtime pay, recordkeeping, and child labor standards affecting full-time and part-time workers. This also includes administration of the Migrant and Seasonal Agricultural Worker Protection Act (MSPA), which regulates the hiring and employment activities of agricultural employers, farm labor contractors, and associations using migrant and seasonal agricultural workers. Through its administration and enforcement of the Labor-Management Reporting and Disclosure Act (LMRDA), the Department safeguards union democracy and financial integrity and the transparency of union operations. The Department has included a request in the FY 2005 submission for \$.862 million for the Office of the Assistant Secretary for Policy to coordinate and focus the DOL’s compliance assistance efforts.

Strategies for Outcome Goal 2.1 include:

- Protect workers through compliance assistance;
- Create more knowledgeable employees through outreach and education; and

- Target enforcement efforts.

The performance goals associated with this outcome goal are: *American workplaces legally employ and compensate workers* and *Advance safeguards for union financial integrity and democracy*.

**Outcome Goal 2.1 — Increase compliance with worker protection laws**

<b>Performance Goal DOL-05-2.1A: American workplaces legally employ and compensate workers (ESA)</b>	
Indicator: Covered American workplaces legally, fairly, and safely employ and compensate their workers by:	
<u>Ensuring customer service:</u> Ensuring continued customer service by maintaining the average number of days to conclude a complaint at the FY 2003 level.	Baseline FY 2002: 129 days Target: 108 days
<u>Reduce employer recidivism:</u> Increasing the percent of prior violators who achieved and maintained Fair Labor Standards Act (FLSA) compliance following a full FLSA investigation.	Baseline FY 2003: 73% Target: 75%
<u>Increase compliance in industries with chronic violations.</u> Increasing the percent of low-wage workers across identified low-wage industries paid and employed in compliance with FLSA and MSP A.	Establish baseline FY 2004 Target: TBD
<u>Ensuring timely and accurate prevailing wage determinations:</u>	
<ul style="list-style-type: none"> <li>• Increasing the number of wage determination data submission forms processed per 1,000 hours.</li> </ul>	Establish baseline in FY 2004 Target: TBD
<ul style="list-style-type: none"> <li>• Issue 81 percent of all survey-based DBA wage determinations issued within 60 days of the receipt of the underlying survey data.</li> </ul>	Baseline FY 2002: 100% Target: 81%

<b>Performance Goal 2.1B: Advance safeguards for union financial integrity and democracy (ESA)</b>	
Indicator: Ensure union financial integrity, democracy, and union transparency by:	
<ul style="list-style-type: none"> <li>Increasing union financial integrity. Increase the number of unions without fraud.</li> </ul>	Baseline FY 2004: TBD Target: TBD in FY 2004
<ul style="list-style-type: none"> <li>Increasing union transparency. Increase the percentage of union reports meeting OLMS standards of acceptability for public disclosure.</li> </ul>	Baseline FY 2003: 73% Target: 77%

### **Outcome Goal 2.2 — *Protect worker benefits***

Protecting workers' benefits is a key component of the Department's goal to promote the economic security of workers and their families. Strategies address a number of new issues affecting unemployment, foreign labor, and employee benefits. For example, the Administration projects that unemployment will decline to 5.1 percent by FY 2007, potentially resulting in an overall reduction in unemployment claims. However, a smaller proportion of these claims are expected to be as a result of layoffs, and therefore claims will be more likely to contain more eligibility issues and errors.

Specific increases in the FY 2005 request supporting this outcome goal include:

- \$5,138 million and 30 FTE for EBSA to enhance its Employee Pension and Health Benefits Security, and
- \$20 million for an unemployment insurance eligibility review program.

Depending on the rate of economic recovery and the performance of financial investment, more pension plans may be trusteeed under the administration of the Pension Benefit Guaranty Corporation over the next five years. In addition, the transition of more Americans to 401(k) and managed health care plans will place more of the burden for retirement savings and health care choices on employees. Finally, the workers' compensation programs administered by DOL face the same challenge as the Nation — increasingly aging populations and rising health care costs — and these programs will therefore have to become more efficient.

Strategies for Outcome Goal 2.2 include:

- Provide oversight and assistance to States;
- Improve information access and analysis;
- Create more knowledgeable consumers through outreach and education;
- Streamline processing; and
- Assist return to work through better coordination of medical treatment.

Performance goals associated with this outcome goal are *Minimize impact of work-related injuries*, *Enhance pension and benefit security*, and *make Accurate and timely payments to unemployed workers and pension plan beneficiaries*.

**Outcome Goal 2.2 — Protect worker benefits**

<b>Performance Goal DOL-05-2.2A: Make timely and accurate benefit payments to unemployed workers, and facilitate their reemployment (ETA)</b>	
Indicator: Payment Timeliness — The percentage of intrastate first payments made within 14/21 days	Baseline FY 2001: 89.1% Target: 89.9%
Indicator: Detect Overpayments — Establish for recovery a percent of the amount of estimated overpayments that States can detect and recover	Baseline FY 2002: 57.9% Target: 59.5%
Indicator: Facilitate the Reemployment of UI Claimants — The reemployment rate of UI claimants will be <u>x</u> percent. (Target to be established in FY 2006.) A baseline of 51.5% was established on pilot results.	Baseline: 51.5% Target: TBD
Indicator: Establish Tax Accounts Promptly - Percent of new employer liability determinations made within 90 days of the end of the first quarter in which liability occurred.	Baseline: FY 2002: 79.1% Target: 82.4%
<b>Performance Goal DOL-05-2.2B: Minimize impact of work related injuries (ESA)</b>	
Indicator: For FECA cases of the United States Postal Service, reduce the lost production days rate (LPD per 100 employees).	Baseline FY 2002: 153.4 days Target: 150.3 days
Indicator: For FECA cases of All Other Government Agencies, reduce the lost production days rate (LPD per 100 employees).	Baseline FY 2001: 56 days Target: 54.9 days
Indicator: Increase FECA vocational Rehabilitation placements with new employers. (Focus on injured USPS employees for FY 2003 & 2004).	Baseline FY 2002: 204 Target: 245
Indicator: Through use of the Periodic Roll Management, produce \$100 million in cumulative (FY 2003-2008) first-year savings in the FECA program.	Baseline: NA Target: +\$17m
Indicator: The trend in the indexed cost per case of FECA cases receiving medical treatment will remain below the comparable measure for nationwide health care costs.	Baseline: Milliman U.S.A. Health Costs Index Target: Remain below U.S. trend

<p>Indicator: Achieve targets for five communications performance areas.          Baseline FY 2003: Use of FECA program electronic services – 1.7 million contacts          Average Caller wait times - 3.3 minutes          Average time to return calls – 3.0 days          Calls resolved on the first try – 58%          Calls handled according to program quality standards – 88%          Target: Meet 80% of targets</p>
<p>Indicator: Reduce the average time required to resolve disputed issues in Longshore and Harbor Worker's compensation Program contested cases.          Baseline FY 2002: 285          Target: 268</p>
<p>Indicator: Increase the percentage of Black Lung benefit claims for which following an eligibility decision by the district director, there are no requests for further action from any party pending one year after receipt of the claim.          Baseline FY 2001: 66.5%          Target: 76.5%</p>
<p>Indicator: Increase the percentage of Initial Claims for benefits in the Energy Program that are processed within standard timeframes.          Baseline: 75%          Target: 79%</p>
<p>Indicator: Increase the percentage of Final Decisions in the Energy Program that are processed within standard timeframes.          Baseline: 75%          Target: 79%</p>
<p><b>Performance Goal DOL-05-2.2C: Secure pension, health and welfare benefits (EBSA)</b></p>
<p>Indicator: Enhance Pension and Health Benefits Security</p> <p><u>Enforcement:</u>          Achieve greater than 50% ratio of closed civil cases with corrected violations to civil cases closed.          Baseline FY 2002: 50%          Target: 50%</p> <p>Achieve greater than 25% ratio of criminal cases referred for prosecution to total criminal cases.          Baseline FY 2002: 25%          Target: 25%</p> <p><u>Participant Assistance:</u>          Achieve a Customer Satisfaction Index of 75 or comparable measure by FY 2008 for Participants and Beneficiaries who have contacted EBSA for assistance.          Baseline: FY 2002: 56          Target: 65*</p> <p>*Subject to modification pending the Gallup Organization program evaluation results.</p>

**Performance Goal DOL-05-2.2D: Improve pension payment processing (PBGC)**

Indicator: Pension Practitioner Service: Achieve a Customer Satisfaction score of 72 for practitioner callers in FY 2005.

Baseline FY 2002: 69  
Target: 72

Indicator: Participant Service: Achieve a Customer Satisfaction score of 78 for responding to trustee plan participants' inquiries in FY 2005.

Baseline FY 2001: 73  
Target: 78

**Goal 3 — Quality Workplaces: *Foster Quality Workplaces that are safe, healthy and fair***

Attainment of quality workplaces requires that American work environments are safe, healthy, and fair. This goal builds upon the complementary strategies of the new Compliance Assistance Initiative along with the Department's enforcement responsibilities. Each of these *Quality Workplaces* goal elements are further defined with results targets in two broad outcome goals — *Reducing workplace injuries, illnesses, and fatalities* and *Fostering equal opportunity workplaces*. Agencies supporting this strategic goal are the Occupational Safety and Health Administration, the Mine Safety and Health Administration, the Employment Standards Administration, and the Veterans' Employment and Training Service.

**Outcome Goal 3.1 — *Reduce workplace injuries, illnesses, and fatalities***

The Department strives to make American workplaces the safest in the world. Over the last several years, the Department has sought to create a commitment to workplace safety and health by both employers and workers. We are encouraged by the progress that they have made in reducing workplace injuries and illnesses. Nevertheless, significant hazards and unsafe conditions continue to exist in the workplace. According to the National Institute of Occupational Safety and Health, the direct and indirect costs of occupational injuries and illnesses are estimated to be \$171 billion annually.

The Department will reach and maintain a healthy balance among enforcement, education and training, which includes compliance assistance and technical support, while improving our leadership role in the national safety and health dialogue, expanding outreach, and expanding opportunities for voluntary and cooperative programs. We will work to ensure that employers have access to DOL resources to assist them in preventing workplace injuries and illnesses. DOL plans to identify the most critical safety and health problems and create strategies to address them. The Department includes four initiatives in the FY 2005 request for OSHA to support this outcome goal. DOL requests \$2.0 million to improve whistleblower investigations, \$4.364 million to enhance OSHA's compliance assistance efforts, \$1.7 million for on-site consultative services, and \$0.5 million for OSHA small business outreach.

Strategies for Outcome Goal 3.1 include:

- Strong, Effective and Fair Enforcement;
- Expand Outreach, Education, and Compliance Assistance Efforts; and
- Encourage Partnerships and Voluntary Programs.

The performance goals related to this outcome goal directly measure reductions in workplace injuries, illnesses and fatalities, across general industries and specifically within mining. Exposures to health hazards, such as noise and respirable dust, are also measured in the mining industry.

**Outcome Goal 3.1 — Reduce workplace injuries, illnesses, and fatalities**

<b>Performance Goal DOL-05-3.1A: Reduce work-related fatalities (OSHA/MSHA)</b>	
Indicator: FY 2005: Reduce the rate of workplace fatalities by 6 percent from baseline (for sectors covered by the Occupational Safety and Health Act). (OSHA)	Baseline: 1.62 fatalities per 100,000 workers (FY2000-2002 average) Target: 1.52 fatalities per 100,000 workers
Indicator: Reduce the mine industry fatal injury incidence rate by 15 percent from the baseline by the end of FY 2008. (MSHA)	Baseline FY 2003: .0226 Target FY 2005: .0212
<b>Performance Goal DOL-05-3.1B: Reduce work-related injuries and illnesses (OSHA/MSHA)</b>	
Indicator: FY 2005: Reduce the rate of workplace injuries and illness by 8 percent from baseline. (OSHA)	Baseline: CY 2002 rate of 1.6 days away from work cases per 100 workers. Target: 1.5 days away from work cases per 100 workers
Indicator: Reduce the mine industry all-injury incidence rate by 50 percent from the baseline by the end of FY 2008. (MSHA)	Baseline FY 2003: 4.27 Target FY 2005: 3.47
Indicator: In the mine industry, reduce the percentage of respirable coal dust samples exceeding the applicable standards by 5 percent per year for designated occupations; reduce the percentage of silica dust samples in metal and nonmetal mines exceeding the applicable standards by 5 percent per year for high-risk occupations; and, reduce the percentage of noise exposures above the citation level in all mines by 5 percent. (MSHA)	Baseline FY 2002 Coal dust: 15.0% Target Coal dust: TBD Baseline FY 2002 Silica dust: 9.0% Target Silica dust: TBD Baseline FY 2000 & 2001 Noise: 9.3% Target Noise: TBD
FY 2005 targets are under revision because FY 2003 results exceeded performance targets.	

**Outcome Goal 3.2 — Foster equal opportunity workplaces**

DOL is committed to fostering workplaces that are free of discrimination and that guarantee equal opportunities and fairness to working Americans. The Department monitors federal contractors compliance with applicable laws and executive orders, and assures that minorities,



women, individuals with disabilities, and eligible veterans are afforded an equal opportunity to compete for employment and advancement. To achieve equal opportunity workplaces the Department has developed goals that emphasize the use of compliance assistance as a component of its enforcement strategy for informing Federal contractors of their obligations and in helping Federal contractors comply with those requirements.

The Department also protects the civilian employment rights and opportunities of members and veterans of our military services. In the FY 2005 submission for ESA, the Department requests \$ .350 million for the Office of Federal Contract Compliance Programs for a redesign project supporting this outcome goal.

Strategies for Outcome Goal 3.2 include:

- Improve compliance assistance;
- Develop and enhance partnerships with private and public entities; and
- Minimize the disadvantages to civilian employment that can result from uniformed service.

The performance goals related to this outcome goal measure improvements in reducing discrimination among federal contractors and reducing the disadvantages that may be faced by military personnel in the civilian workforce. Achieving these goals will help assure that all of America’s workers have equal opportunities to compete for and achieve rewarding employment free of discrimination.

**Outcome Goal 3.2 — Foster equal opportunity workplaces**

<b>Performance Goal DOL-05-3.2A: Federal contractors achieve equal opportunity workplaces (ESA)</b>	
Indicator: Reduce the incidence of discrimination among Federal contractors.	Baseline FY 2001: 12.5% Target: 8%
Indicator: Increase compliance among Federal contractors in all other aspects of equal opportunity workplace standards.	Baseline FY 2001: 57% Target: 62%
<b>Performance Goal DOL-05-3.2B: Reduce employer-employee employment issues originating from service members’ military obligations conflicting with their civilian employment (VETS)</b>	
Indicator: Conduct at least 95% of USERRA cases in an effective manner as defined by procedural guidelines and by substantive analysis.	Baseline: TBD (FY 2004) Target: TBD
Indicator: Resolve 85% of USERRA cases within 90 days of their filing dates; 90% within 120 days and 98% within one year.	Baseline: TBD (FY 2004) Target: TBD

#### **Goal 4 — A Competitive Workforce: *Maintain competitiveness in the 21<sup>st</sup> Century economy***

This last strategic goal, *A Competitive Workforce*, is a new goal presented in the FY 2003 – 2008 DOL Strategic Plan. It addresses the issues facing us as the Department adapts and prepares to capture the vision of the Department's 21<sup>st</sup> Century Workforce initiatives.

The following outcomes communicate how DOL will make these adjustments. Our first outcome goal — *Address demand for new, replacement, and skilled workers* — focuses on workforce gaps that are likely to occur, including labor shortages for new and replacement workers, with an emphasis on knowledge workers. The second — *Promote job flexibility and minimize regulatory burden* — focuses on adopting innovative approaches for establishing an effective regulatory environment and expanding workplace flexibility that are consistent with the changing nature of work in the 21<sup>st</sup> Century.

Support for this goal cuts across many of the DOL agencies. Primary emphasis comes from agencies supporting training and job placement such as the Employment and Training Administration, Veterans' Employment and Training Service, the Women's Bureau, and the Office of Disability Employment Policy; enforcement agencies involved with regulatory reviews such as the Employment Standards Administration, Occupational Safety and Health Administration, Mine Safety and Health Administration, and Employee Benefits Security Administration; policy support from the Assistant Secretary for Policy; and statistical support from the Bureau of Labor Statistics.

#### **Outcome Goal 4.1 — *Equip Workers to Adapt to the Competitive Challenges of the 21<sup>st</sup> Century***

Our success will largely depend on the ability of our programs and strategies to target and meet the needs of business for new and highly skilled workers. To this end, the Department will take a leadership role in pursuing a comprehensive set of strategies designed to develop an early warning system of labor issues and marshalling public and private resources to prepare the Nation to address future challenges.

As this is a new strategic goal for the Department, there are several new initiatives proposed in the FY 2005 submission supporting this outcome goal including:

- \$250 million for ETA to offer grants for training in community and technical colleges focusing on training in industries with skill shortages;
- \$1.468 million for VETS to fully implement its Transition Assistance Program (TAP) overseas; and
- \$0.949 million for VETS to expand the Stateside TAP program to keep up with demand.

Strategies for Outcome Goal 4.1 include:

- Establish an intelligence and research function that identifies trends and provides policy guidance;
- Improve communication and collaboration among businesses, workers and training providers;

- Establish crosscutting strategic initiatives with other government agencies;
- Stimulate investment in longer term and continuing training; and
- Build a demand-driven workforce system.

Many of the challenges described in Outcome Goal 4.1 will impact the Nation more significantly in the years beyond the current strategic plan timeframe. Therefore, our performance goals in this section reflect a departure from those in other sections of the plan by targeting objectives that will position DOL to effectively support the workforce in the major transitions we will face in future decades, rather than near-term, quantifiable outcomes.

**Outcome Goal 4.1 — Equip Workers to Adapt to the Competitive Challenges of the 21<sup>st</sup> Century**

<p><b>Performance Goal DOL-05-4.1A: Analyze information collection and research programs for relevance</b></p>
<p>Indicator: Evaluate the surveys, analysis, and research conducted by the Department and make necessary adjustments to ensure relevance for forecasting emerging workforce issues and facilitating related policy decisions.</p> <p>Target: DOL will develop a systematic approach to filling identified information gaps for the forecasting of emerging workforce issues.</p>
<p><b>Performance Goal DOL-05-4.1B: Address worker shortage</b></p>
<p>Indicator: By 2004, identify key occupations in which there is substantial evidence of long-term difficulties in finding sufficient supplies of qualified workers, and develop a comprehensive approach to alleviate potential imbalances in demand and supply.</p> <p>Target: DOL will develop a plan to address occupations that indicate difficulties in finding supplies of qualified workers</p>
<p><b>Performance Goal DOL-05-4.1C: Build a demand-driven workforce system</b></p>
<p>Indicators for the Community College High Job Growth Training Initiative:</p> <ul style="list-style-type: none"> <li>• Increase the numbers of firms served in high-growth industries by <u>x</u> percent</li> <li>• Increase the number of individuals trained in high-growth industries by <u>x</u> percent</li> <li>• Percentage of participants attaining a degree or certificate in post-secondary education and skills training in those occupations experiencing skills shortages in high-growth industries.</li> <li>• Increase the numbers of individuals employed in high-growth industries by <u>x</u> percent</li> <li>• Retention Rate of those individuals employed in high-growth industries (i.e. for three quarters after exiting the program as described in the common measures for job training programs).</li> <li>• Average cost per participant for the Community College High Growth Training Initiative will be <u>x</u> dollars.</li> </ul> <p style="text-align: right;">Baseline: TBD in PY 2004 Targets: TBD</p>

**Outcome Goal 4.2 — Promote job flexibility and minimize regulatory burden**

Many employers, to compete more effectively in the highly competitive global economy, have restructured their companies, downsized their workforces, and increasingly relied on non-traditional employment practices that include part-time, temporary, and contractor-supplied

workers. Experts expect these non-traditional work arrangements to increase substantially in coming decades. It is estimated that within 25 years, half the people who work for an organization will not be on its payroll. At the same time, on average, Americans are working more hours and many have difficulty balancing work demands with their personal lives.

We need to promote the greater flexibility desired by workers and employers. This includes examining and possibly adjusting our regulatory environment — employment related laws, regulations and regulatory practices — in light of non-traditional work arrangements and the need to reduce regulatory burden. In particular, some regulations written decades ago may no longer be applicable or effective; they may impose costs on employers without yielding any corresponding benefits to the workforce.

The Department’s FY 2005 submission includes \$ .421 million and 2 FTE for the Wage and Hour Division to create an office of regulatory and legislative activity to implement new regulatory requirements.

Strategies for Outcome Goal 4.2 include:

- Assess and revise regulations;
- Re-analyze our regulatory approaches to reduce regulatory burden; and
- Promote flexible work practices.

The performance goals related to this outcome of promoting job flexibility and minimizing regulatory burden while protecting workers center around taking a comprehensive and strategic approach toward our ability to influence the work environment and implement a new regulatory infrastructure. Many of the goals represent key steps in analyzing the changes needed and are therefore more output oriented during the current strategic planning cycle. Outcome-oriented performance goals will be developed after new policies and programs have been implemented based on the results of the proposed evaluations.

**Outcome Goal 4.2 — Promote job flexibility and minimize regulatory burden**

**Performance Goal DOL-05-4.2A: Maximize regulatory flexibility and benefits and promote flexible workplace programs**

Indicator: Wage and hour, worker safety, pension and health care regulations, to the greatest extent practicable, are performance-based and provide maximum flexibility to employers in developing a compliance approach.

FY 2004: Develop plan to review all significant regulations for maximum flexibility.

FY 2006: Review all identified significant regulations and develop revisions.











Target: Initiate rulemaking for revisions as appropriate

<p>Indicator: New and current regulations maximize net benefits. Regulations that impose greater societal costs than benefits are revised or eliminated, consistent with applicable governing statutes.  FY 2004: Establish criteria and timeline for review. (DOL Agencies)  FY 2006: Regulations identified for elimination; develop revisions.</p> <p style="text-align: right;">Target: Initiate rulemaking for rule eliminations or revisions as appropriate</p>
<p>Indicator: DOL ensures compliance with its regulations in the most cost-effective manner. Non-cost-effective practices are modified or eliminated, consistent with governing statutes. (DOL Agencies)  FY 2004: Baseline unit cost. Develop plan to identify practices that are not cost-effective.  FY 2006: Develop plan to reduce unit cost per enforcement action. Initiate changes to non-cost effective practices.</p> <p style="text-align: right;">Target: Reduce unit cost per enforcement action by X%</p>
<p>Indicator: Best practices for, and models of, flexible workplace practices are identified and publicized.  Baseline FY 2004: Develop best practices studies  Target: FY 2006 — Best practices disseminated</p>
<p>Indicator: Increase the percentage of small employers with access to health care benefit plans.*  Baseline: 2003 %  Target: X%</p> <p style="text-align: right;">* Consistent with and contingent upon the passage of Association Health Plan legislation now pending before Congress.</p>

### Meeting the President's Management Agenda

The Department continues to make solid progress in implementing the President's Management Agenda. As of OMB's year-end review on September 30, 2003, DOL continues to be among the leaders of Cabinet agencies, with status scores of *Yellow* for four of the five Government-wide initiatives, and progress scores of *Green* for the same four initiatives.

The President's Management Agenda Scorecard for DOL, as of September 30, 2003:

	Current Status	Progress
Human Capital	 Yellow	 Green
Competitive Sourcing	 Red	 Yellow
Financial Performance	 Yellow	 Green
E-Government	 Yellow	 Green
Budget & Performance Integration	 Yellow	 Green

The FY 2005 budget continues the Department's refinement of developing an integrated

performance budget. We are proud to be in the forefront of this government-wide endeavor and recognize that this must be an ongoing effort. In order to increase our ability to provide decision-support for the Department, particularly in the areas of budget-performance integration and improved financial performance, the Chief Financial Officer (OCFO) will be investing in an upgrade to its financial data systems that will increase the timeliness and accuracy of the Department's financial data. We are also dedicating a part of our IT Cross-cut to consolidate all DOL agency requests in support of *Expanded E-Government*. The Department has established an Office of Competitive Sourcing to provide leadership and resources to our agencies to better implement this President's Management Agenda component. In addition, the Department will use resources requested under our Management Cross-cut proposal to manage centrally other efforts that support the President's Management Agenda initiatives.

To maintain our strong focus on achieving the goals of the President's Management Agenda, we have begun tracking DOL agencies' individual efforts to implement each component. The first agency-level scorecards were conducted in September 2002 and updated in March 2003 and October 2003. They provide an important forum for discussion and feedback on agency status and plans.

A total of \$44 million is requested in FY 2005 in support of the Department's continued effort to implement the President's management initiatives. Funding requests in support of the President's Management Agenda follow.

	<b>FTE</b>	<b>Amount (000s)</b>
<b>Human Capital</b>	0	\$1,500
<b>Competitive Sourcing</b>	0	\$1,000
<b>Financial Management</b>	0	\$25,000
<b>E-Government</b>	0	\$14,613
<b>Faith-Based Initiatives</b>	0	\$2,000
<b>Total</b>	<b>0</b>	<b>\$44,113</b>

#### **Program Assessment Rating Tool (PART)**

Fourteen Department of Labor programs were evaluated by OMB using the Program Assessment Rating Tool (PART) for budget years FY 2004 and FY 2005. Programs first evaluated in 2002 for the FY 2004 budget were updated this year with five programs showing an improvement in their scores; one showing a modest decrease, and three remaining unchanged. Equally as important are the changes that have been made and the corrective action plans that have been formulated to address recommendations resulting from the reviews. The Department includes a status report for each program rated in the FY 2004 cycle in this budget request. As a result of an additional five programs evaluated for the FY 2005 cycle, the Department has had approximately 40 percent of its funded programs reviewed to date. The PART instrument has rapidly become an important management tool for DOL agencies that is used for program planning and internal evaluation purposes. Lessons learned from analyzing programs with this tool have informed the Department's strategic planning process, whereby the numbers of performance goals and measures have been reduced to better focus the Department on the Secretary's priorities and sharpen program managers' efforts to increase the effectiveness of

programs. Efficiency measures are being developed for all programs and have been included in agency budget submissions. The Department will continuously improve overall program effectiveness and efficient use of taxpayer dollars through the use of performance measurement.