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# Secretary's Message

November 15, 2007

I am pleased to submit the ninth annual Department of Labor Performance and Accountability Report to Congress and the American people. This is the first opportunity to report progress under our FY 2006-2011 Strategic Plan, which articulates the Department's program performance priorities, strategies, and targets for the years ahead and identifies four strategic goals that serve as the basis of this annual report:

- *A Prepared Workforce* – to provide training and services to new and incumbent workers and supply quality information on the economy and labor market.
- *A Competitive Workforce* – to enhance 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* – to ensure that workplaces are safe, healthful, and fair; protect workers' rights to wages due them; protect workers' equal opportunity rights; and protect veterans' employment and re-employment rights.
- *Strengthened Economic Protections* – to protect and strengthen economic security; ensure union transparency; and secure pension and health benefits.



## President's Management Agenda

Building upon these four goals, the President's Management Agenda (PMA) continues to be the central strategy for the Department's efforts in management improvement. The Department continues to demonstrate progress in each of the five government-wide PMA initiatives: Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, Expanded Electronic Government, and the Performance Improvement Initiative (formerly Budget and Performance Integration). A major achievement linked to PMA implementation is the good-government results that have been implemented on behalf of our stakeholders – including America's taxpayers. These results are exemplified by DOL's winning four President's Quality Awards for management excellence since 2004, including the award for Expanded Electronic Government we received last November.

## Preparing Workers for New Opportunities

To better accomplish the Department's mission, DOL has worked to overhaul the nation's duplicative, compartmentalized, and bureaucracy-ridden workforce training programs. This Administration has proposed innovative strategies to spur regional workforce development, give workers personalized Career Advancement Accounts to reach their own career goals, and create a workforce investment system that puts workers first. The Department of Labor continues to build on the President's results-oriented vision – and strives to maximize the use of all Federal workforce investment funds for the direct provision of training and other value-added services to workers.

The workforce investment system is expanding its work with employers in high-growth, high-demand industries, including collaborations with large multi-State employers. These partnerships help to identify the workforce needs of high-growth industries and provide a forum for improved communication between industry and the workforce investment system. To further address the need for in-demand skills, the Department eliminated a backlog of approximately 363,000 applications in the permanent foreign worker certification program over the last three years.

### **Protecting Workers' Safety and Health, Pay, Benefits, and Union Dues**

The Department's agencies that protect workers' health, safety, benefits, pay, and union member rights continue to achieve results for American workers and their families, all within restrained budget growth. In addition to enforcement, DOL is deploying outreach and compliance assistance to prevent violations and identify high-risk industries. The Occupational Safety and Health Administration's National Emphasis Program (NEP) is one example of how the Department is combining aggressive, targeted strategies to reduce or eliminate hazards from workplaces with high injury and illness rates. In 2007, DOL established NEP's for petroleum refineries and microwave popcorn manufacturing facilities.

The passage of the Mine Improvement and New Emergency Response (MINER) Act of 2006 – the most significant mine safety legislation in nearly 30 years – provides the Department new tools to better ensure miner safety. The Mine Safety and Health Administration has vigorously implemented this legislation to better protect miners.

In protecting the economic security of workers, the Department reached its compliance and discrimination rate targets for audited Federal contractors while union criminal investigations leading to prosecutions resulted in more than \$30 million in court-ordered restitution. The Department released the first-ever regulations implementing, clarifying, and streamlining the Uniformed Services Employment and Reemployment Rights Act, or USERRA. These regulations and other Departmental efforts, which help protect the jobs and benefits of citizen-soldiers while on active duty, led to a decrease in claims of prohibited personnel practices by four percent from the previous year, based on preliminary reports.

Workers' compensation claims were processed with greater efficiency without sacrificing the quality of decisions. The Department successfully eliminated 100 percent of the backlog of Energy Employee Occupational Illness cases inherited from the Department of Energy. In addition, the rate of change in medical costs for injured Federal workers remained below the national average for the fifth consecutive year.

The Pension Benefit Guaranty Corporation (PBGC) is now trustee of some 3,800 terminated plans, managing an asset portfolio in excess of \$55 billion. Effective management of this diverse portfolio is critical; 650,000 retirees and beneficiaries with trusteed plans were receiving benefits and 525,000 other participants had earned benefits. The Department is working with PBGC to develop strategies and measures focused on their long-term financial challenge to support the Administration's commitment to safeguarding the pension insurance program.

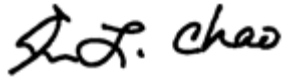
### **Program Data and Financial Systems**

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 they 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, with no material inadequacies as defined in OMB Circular A-11 – with one exception. Performance Goal 06-2D (Community-Based Job Training Grants) data are considered inadequate for the purpose of determining goal achievement. Accordingly, it has been omitted from this report. DOL continues to develop a reporting system that will provide Federal job training program common measures outcome data for this program.

Last year, DOL implemented data quality assessments to continue efforts in effective performance management and transparent reporting. These assessments promote continuous improvement in performance goal data by applying additional criteria beyond adequacy, such as data accuracy, validity, and timeliness. Based on such criteria, the Department's data quality is rated Very Good or Excellent on a five point scale for more than half of the data presented in this report. 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 2007 Performance and Accountability Report is a comprehensive assessment of achievements with respect to ambitious and challenging goals and targets. The positive results this year have been possible because of Department wide teamwork to prepare America's workers for a competitive global market; to provide for safe and healthy work environments; and to vigorously protect retirement security and ensure fair compensation.



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Secretary of Labor