

**REQUIRED SUPPLEMENTARY STEWARDSHIP INFORMATION**  
(Unaudited)

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**STEWARDSHIP INVESTMENTS IN HUMAN CAPITAL**

Stewardship investments are made by DOL on behalf of the nation, providing long term benefits that can not be measured in traditional financial reports. DOL's stewardship investments are in human capital, reported as employment and training program expenses in DOL's net cost of operations. These investments are intended to maintain or increase national economic productive capacity as demonstrated by program outputs and outcomes.

Within DOL, the Employment and Training Administration, the Office of Job Corps, and the Veterans' Employment and Training Service administer training programs that invest in human capital. The Office of Job Corps was transferred from the Employment and Training Administration to the Office of the Secretary during FY 2006. However, Job Corps' costs continue to be reported under the Employment and Training Administration and are considered to be a part of the Employment and Training Administration for this presentation. These training programs are discussed below.

***Employment and Training Administration***

The Employment and Training Administration (ETA) makes investments in human capital through job training programs authorized by the Workforce Investment Act of 1998, Title V of the Older Americans Act, the Trade Act of 1974, as amended by the Trade Adjustment Assistance Reform Act of 2002, and the National Apprenticeship Act of 1937. This investment is made for the general public, and the expenses incurred are intended to increase or maintain national economic productive capacity. In 2007, ETA invested over \$5.8 billion through these training programs, providing services to over 2.9 million participants. ETA's investments in human capital specifically exclude expenditures for employment services, unemployment insurance administration and unemployment and other benefit payments, which comprise the majority of ETA's services to the public. In 2007, ETA incurred total net costs of \$42.3 billion, providing services to over 24.9 million people. ETA's investments in human capital are discussed below:

**Program Activities****Workforce Investment Act**

ETA and the Office of Job Corps (OJC) administer training programs authorized by the Workforce Investment Act (WIA). The OJC was transferred from ETA in 2006 and established under the Office of the Secretary (OSEC) to administer the Job Corp program. In 2006 and 2007, Job Corps funding was appropriated to ETA and transferred via allotment to OSEC. For the purposes of this presentation, Job Corps investments in human capital made under WIA are reported as part of ETA. The job training programs authorized by WIA are discussed below.

- **Adult employment and training programs** – ETA awards financial assistance grants to States and territories to design and operate training and employment assistance programs for disadvantaged adults, including public assistance recipients. ETA's 2007 investment in human capital through WIA adult programs was \$893.8 million.
- **Dislocated worker employment and training programs** – ETA awards grants to provide reemployment services and retraining assistance to individuals dislocated from their employment. ETA also awards competitive grants to build training capacity and to train workers through community and technical colleges from the national reserve account. ETA's 2007 investment in human capital through WIA dislocated worker programs was \$1,466.3 million.

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- **Youth programs** – ETA awards grants to support program activities and services to prepare low-income youth for academic and employment success, including summer jobs, by linking academic and occupational learning with youth development activities. ETA's 2007 investment in human capital through WIA youth programs was \$950.7 million.
  - **Job Corps** – OJC awards contracts to support a system of primarily residential centers offering basic education, training, work experience and other support, typically to economically disadvantaged youth. Large and small corporations and non-profit organizations manage and operate 94 Job Corps centers under these contractual arrangements. The remaining 28 centers are operated through interagency agreements between DOL and the U.S. Departments of Agriculture and Interior. In addition, 20 operators are contracted to provide outreach and admissions (OA) and career transition services (CTS). OJC's 2007 investment in human capital through the WIA Job Corps program was \$1,485.6 million.
  - **Reintegration of Ex-Offenders** – ETA supports programs to help individuals exiting prison make a successful transition to community life and long term employment through the provision of mentoring and job training programs to promote the successful return of adult and juvenile ex-offenders into mainstream society. ETA's 2007 investment in human capital through WIA ex-offender programs was \$76.4 million.
  - **National Programs** – ETA's National programs provide financial assistance and support for WIA nationally administered activities for segments of the population that have special disadvantages in the labor market, including grants to Indian tribes and other Native American governments or non-profit organizations, and to Migrant and Seasonal Farmworker service organizations, to provide training, work experience and employment-related services. ETA's 2007 investment in human capital through National programs was \$219.7 million.

**Title V of the Older Americans Act, as Amended**

ETA also invests in human capital through its older worker program, authorized under Title V of the Older Americans Act, to benefit low income workers, age 55 and over. The Older Americans Act Amendments of 2006, reauthorized and provided important reforms to Title V's Community Service Employment for Older Americans Program, including an increase in the percentage of program funds available for skills training and related services.

- **Community Service Employment for Older Americans Program (CSEOA)** – An employment and training program that provides part-time training through work experience in community service activities for low-income persons age 55 and older, who wish to remain in or re-enter the workforce, with the ultimate goal of moving the participants into unsubsidized employment. ETA's 2007 investment in human capital through the CSEOA program was \$450.4 million.

**Trade Act of 1974 as Amended**

ETA makes investments in human capital through training programs authorized by the Trade Act of 1974. The Trade Adjustment Assistance Reform Act of 2002 amended the Trade Act of 1974 to consolidate the previous Trade Adjustment Assistance (TAA) and the NAFTA Trade Adjustment Assistance programs into a single, enhanced TAA program.

- **Trade Adjustment Assistance Programs** – TAA programs provide training, income support and related assistance to workers who have been adversely affected by foreign trade. Trade adjustment assistance benefit payments are classified as income maintenance program costs and are not included as investments in human capital. ETA's 2007 investment in trade adjustment assistance training programs was \$223.1 million.

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**The National Apprenticeship Act**

The National Apprenticeship Act of 1937 established the foundation for development of the nation's skilled workforce through apprenticeship programs, which combine on the job learning with related technical instruction to teach workers the theoretical aspects of skilled occupations. Funding provides a national system for skilled and technical occupational training, which promotes apprentices, registers apprenticeship programs, certifies apprenticeship standards, and safeguards the welfare of apprentices. ETA's 2007 investment in apprenticeship programs was \$21.4 million.

**Program Costs and Outputs**

The full cost of ETA programs is presented in the Statement of Net Costs. The cost of ETA's investment in human capital, and the participants served, by program, are shown in the chart below.

**ETA Investments In Human Capital**  
**Program Costs (In Millions) and Participants Served (In Thousands)**  
**For The Five Year Period 2003 Through 2007**

Program	2007		2006		2005		2004		2003	
	Costs	Part. Served	Costs	Part. Served	Costs	Part. Served	Costs	Part. Served	Costs	Part. Served
<b>WIA</b>										
Adult	\$ 893.8	1,760.5	\$ 884.6	1,052.6	\$ 953.9	441.8	\$ 962.5	444.3	\$1,069.6	467.3
Dislocated Worker (1)	1,466.3	413.1	1,525.1	398.2	1,538.3	361.4	1,533.1	364.4	1,757.3	397.6
Youth	950.7	248.9	1,006.2	272.9	1,146.5	390.8	1,379.9	423.5	1,450.4	458.2
Job Corps	1,485.6	64.8	1,364.8	61.0	1,367.1	61.9	1,357.5	64.3	1,345.6	64.0
Ex-Offenders (2)	76.4	15.7	52.1	11.5	23.7	6.8	29.4	5.7	11.8	2.4
National Programs (3)	219.7	44.0	267.3	42.1	178.2	54.7	297.1	57.6	276.7	63.7
<b>Title V</b>										
SCSEP	450.4	86.4	313.0	93.5	621.9	92.1	429.6	101.4	388.4	110.1
<b>Trade Act</b>										
TAA Training	223.1	79.2	188.8	84.2	222.8	95.8	249.1	105.1	237.8	84.5
Apprenticeship Act										
Apprenticeship System	21.4	309.5	22.4	237.9	21.5	196.2	21.4	198.9	21.1	230.0
Other	91.2	na	99.1	na	37.4	na	93.7	na	155.1	na
<b>TOTAL</b>	<b>\$5,878.5</b>	<b>2,968.1</b>	<b>\$5,723.2</b>	<b>2,253.9</b>	<b>\$6,111.3</b>	<b>1,701.5</b>	<b>\$6,353.3</b>	<b>1,765.2</b>	<b>\$6,713.8</b>	<b>1,877.8</b>

- (1) Dislocated Worker programs also include National Emergency Grant costs and participants.
- (2) Ex-Offender programs include the Prisoner Re-entry and Youthful Offender programs.
- (3) National Programs include the Native American and Migrant and Seasonal Farmworker programs.
- (4) Other includes training programs for high skilled occupations funded through H1-B fees, and costs for lapsed programs.

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**Program Outcomes**

The overall performance of ETA programs towards the achievement of DOL's strategic goals is discussed in the Performance Section of this report. Outcomes for training programs comprising ETA's investment in human capital are shown below, for the most current year measured.

**Strategic Goal 1 – A Prepared Workforce**

▪ **Performance Goal 06.1B (Job Corps) – PY 2006**

*Improve educational achievements of Job Corps students and increase participation of Job Corps graduates in employment and education.*

This goal was not achieved. OJC did not reach targets for two of three performance indicators.

▪ **Performance Goal 06.1C (WIA Youth) – PY 2006**

*Increase placements and educational attainments for youth served through the WIA youth program.*

This goal was substantially achieved; ETA reached the target for one performance indicator and improved performance over PY 2005 results for the other performance indicator.

▪ **Performance Goal 07.1D (Apprenticeship) – FY 2007**

*Improve the registered apprenticeship system to meet the training needs of business and workers in the 21<sup>st</sup> century.*

This goal was achieved; ETA reached targets for both performance indicators.

**Strategic Goal 2 – A Competitive Workforce**

▪ **Performance Goal 06.2A (WIA Adult) – PY 2006**

*Increase the employment, retention and earnings of individuals under the WIA Adult program.*

This goal was not achieved; ETA did not reach targets for one of three performance indicators.

▪ **Performance Goal 06.2B (WIA Dislocated Workers) – PY 2006**

*Increase the employment, retention and earnings of individuals under the WIA Dislocated Worker program.*

This goal was not achieved. ETA did not reach targets for two of three performance indicators.

▪ **Performance Goal 06.2F (SCSEP) – PY 2006**

*Assist older workers to participate in a demand driven economy through the Senior Community Service Employment Program.*

This goal was achieved. ETA reached targets for both performance indicators.

▪ **Performance Goal 07.2G (TAA) – FY 2007**

*Increase the employment, retention and earnings replacement of workers dislocated in important part because of trade and who receive trade adjustment assistance benefits.*

This goal was achieved. ETA reached targets for both performance indicators.

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**Veterans Employment and Training Service**

The mission of the Veterans Employment and Training Service (VETS) is to provide veterans and transitioning service members with the resources and services to succeed in the 21<sup>st</sup> century workforce, by maximizing their employment opportunities, protecting their employment rights, and meeting labor market demands with qualified veterans.

**Program Activities****Jobs for Veterans State Grants**

The Jobs for Veterans Act (JVA) of 2002, which allocates resources to the States through the Jobs for Veterans State grants program, supports the majority of VETS activities through three major VETS programs, as discussed below:

- **Disabled Veterans Outreach Program (DVOP) Specialist** – The DVOP, codified at 38 U.S.C. 4103A, awards formula grants to State Workforce Agencies (SWAs) to support DVOP specialists providing intensive services to meet the employment needs of veterans, including counseling, assessment, lifelong learning skills and referral to training, particularly veterans with disabilities or those who recently separated from the military.
- **Local Veterans Employment Representative (LVER)** – The LVER, codified at 38 U.S.C. 4104, provides grants to State Workforce Agencies (SWAs) for the appointment of LVER staff positions identified in Job Service local offices and One-Stop Career Centers, to enhance veterans' services and help them into productive employment.
- **Transition Assistance Program (TAP)** – TAP, authorized under 38 U.S.C. 4215 and 10 U.S.C. 1144, operates as a partnership between the Departments of Labor, Defense and Veterans Affairs. The program provides separating service members and their spouses or individuals retiring from military service with career counseling and training. TAP workshops are provided throughout the United States and overseas.

**Federal Management**

VETS Federal management activities provide programs and policies to meet the employment and training needs of veterans. The majority of resources are devoted to Uniformed Services Employment and Reemployment Rights and Veterans Preference Rights (USERRA) compliance and outreach. Activities, as discussed below:

- **Uniformed Services Employment and Reemployment Rights and Veterans Preference Rights** – The Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994, codified at 38 U.S.C. Chapter 43, protects civilian job rights and benefits for veterans, members of the National Guard and Reserves. Veterans Preference for Federal Employment is codified in 5 U.S.C. 2108. VETS promotes a productive relationship between employer and employee by educating both on the employment rights of the individual veterans.

**Homeless Veterans and Veterans' Workforce Investment Programs**

- **Homeless Veterans Reintegration Project (HVRP)** – The HVRP, codified at 38 U.S.C. 2021, provides employment assistance to homeless veterans through grants to States or other entities in both urban and rural areas to operate employment programs to reach out to homeless veterans and help them become employed.

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- **Veterans Workforce Investment Program (VWIP)** - The VWIP, codified at 38 U.S.C. 2913, provides competitive grants for the training and retraining of veterans to create employment opportunities in high-skilled areas for targeted veterans.

**Program Costs and Outputs**

The full cost of VETS programs is presented in the Statement of Net Costs. The cost by major program is itemized below, to demonstrate the investment trend of VETS programs in human capital. Participants served, an output common to all VETS programs, is also presented by major program.

**VETS Investments In Human Capital**  
**Program Costs and Participants Served (in Thousands)**  
**For The Five Year Period 2003 Through 2007**

Program	2007		2006		2005		2004		2003	
	Costs	Part. Served	Costs	Part. Served	Costs	Part. Served	Costs	Part. Served	Costs	Part. Served
DVOP	\$86,667	363.4	\$86,153	398.1	\$86,104	342.8	\$85,151	507.2	\$86,351	na
LVER	80,000	400.6	79,526	429.3	79,481	330.0	78,601	529.9	79,709	na
TAP	7,704	151.3	4,792	139.5	4,919	134.3	4,684	130.0	4,773	110.1
USERRA	9,170	70.8	8,819	109.9	9,123	126.9	9,506	80.5	7,108	79.0
HVRP	27,504	12.8	26,975	13.8	24,883	13.8	21,821	12.5	34,220	13.1
VWIP	7,667	3.6	9,123	3.8	7,966	4.3	9,444	3.5	9,961	3.7
<b>TOTAL</b>	<b>\$218,712</b>	<b>1,002.5</b>	<b>\$215,388</b>	<b>1,094.4</b>	<b>\$212,476</b>	<b>952.1</b>	<b>\$209,207</b>	<b>1,263.6</b>	<b>\$222,122</b>	<b>na</b>

**Program Outcomes**

The performance of VETS programs towards the achievement of DOL's strategic goals is discussed in the Performance Section of this report. Outcomes for 2007 are summarized below:

**Strategic Goal 1 – A Prepared Workforce**

- **Performance Goal 06.1C (VETS) – PY 2006**  
*Improve employment outcomes for veterans who receive the One-Stop Career Center services and veterans program services.*

This goal was not achieved; VETS did not meet three targets among six performance indicators.

**Strategic Goal 3 – Safe and Secure Workplaces**

- **Performance Goal 07.3C (VETS) – FY 2007**  
*Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment.*

This goal was achieved. VETS exceeded the target for the performance indicator.