

FY 2008

PERFORMANCE BUDGET

EMPLOYMENT AND TRAINING ADMINISTRATION

Training and Employment Services

TRAINING AND EMPLOYMENT SERVICES

PERFORMANCE BUDGET

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TRAINING AND EMPLOYMENT SERVICES

APPROPRIATION LANGUAGE

(Including [Rescissions] Cancellations)

For necessary expenses of the Workforce Investment Act of 1998 (Public Law 105-220) (the "Act"), including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the Act, \$4,494,411,000, plus reimbursements, is available. Of the amounts provided:

(1) for grants to States for adult employment and training activities, youth activities, and dislocated worker employment and training activities, \$2,455,439,000 as follows:

(A) \$712,000,000 for adult employment and training activities, which shall be available for the period October 1, 2008 through June 30, 2009;

(B) \$840,500,000 for youth activities, which shall be available for the period April 1, 2008 through June 30, 2009; and

(C) \$902,939,000 for dislocated worker employment and training activities, of which \$54,939,000 shall be available for the period July 1, 2008 through June 30, 2009, and of which \$848,000,000 shall be available for the period October 1, 2008 through June 30, 2009:

Provided, That notwithstanding the transfer limitation under section 133(b)(4) of such Act, up to 40 percent of such funds may be transferred by a local board if approved by the Governor:

Provided further, That notwithstanding sections 127(c) and 132(c) of the Act, for program year 2007 the Secretary shall reallocate from States for the youth, adult and dislocated worker formula fund programs under title I of the Act, the amounts by which the unexpended balance in a State for such program at the end of program year 2006 exceeds 30 percent of the total amount available for

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such program in such State for program year 2006 (including funds appropriated herein and funds appropriated for previous years that were available during program year 2006), to those States that did not have such unexpended balances for such program at the end of such year, and such reallocations shall be made using the formula applicable to such program for program year 2007 except that such formula shall only be applied to those States receiving reallocations for such program under this proviso:

Provided further, That notwithstanding sections 128(c) and 133(c) of the Act, for program year 2007 the Governor may reallocate from local workforce investment areas, for the youth, adult, and dislocated worker formula fund programs under title I of the Act, the amounts by which the unexpended balance in a local workforce investment area for any such program at the end of program year 2006 exceeds 30 percent of the total amount available for such program in such workforce investment area for such year (including the local funds appropriated for previous program years that were available during program year 2006), to those local workforce investment areas that did not have such unexpended balances for such program at the end of such year, and such reallocations shall be made using the formula applicable to such program for program year 2007 except that such formula shall only be applied to those local workforce investment areas receiving reallocations for such program under this proviso;

(2) \$150,000,000 to carry out the Community-Based Job Training Grants;

(3) for federally administered programs, \$1,829,372,000 as follows:

(A) \$212,000,000 for the dislocated workers assistance national reserve, which shall be available for the period October 1, 2008 through June 30, 2009;

(B) \$45,000,000 for Native American programs, which shall be available for the period July 1,

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2008 through June 30, 2009;

(C) \$1,422,372,000 for Job Corps operations, of which \$831,372,000 shall be available for the period July 1, 2008 through June 30, 2009, and of which \$591,000,000 shall be available for the period October 1, 2008 through June 30, 2009; and

(D) \$100,000,000 for construction, rehabilitation, and acquisition of Job Corps centers, which shall be available for the period October 1, 2008 through June 30, 2011; and

(E) \$50,000,000 for YouthBuild activities as described in section 173A of the Act;

(4) for national activities, \$59,600,000 as follows:

(A) \$39,600,000 for ex-offender activities the Prisoner Re-entry Initiative, under the authority of section 171 of the Act, notwithstanding the requirements of sections 171(b)(2)(B) or 171(c)(4)(D), which shall be available for the period July 1, 2008 through July 30, 2009;

(B) \$13,000,000 for Pilots, Demonstrations, and Research, which shall be available for the period July 1, 2008 through June 30, 2009;

(C) \$7,000,000 for Evaluation, which shall be available for the period July 1, 2008 through June 30, 2009;

Provided further, That no funds from any other appropriation shall be used to provide meal services at or for Job Corps centers.

Of the unexpended balances remaining from funds provided to States for Youth, Adult and Dislocated Worker formula programs under the Workforce Investment Act and available to States during program year 2006, \$335,000,000 is hereby cancelled: Provided, That the Secretary of Labor may apply any portion of a State's share of this cancellation to funds otherwise available to the State for such programs during program year 2007.

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Of the amounts made available under this heading in Public Law 107-116 to carry out the activities of the National Skill Standards Board, \$44,063 is hereby cancelled.

Of the unexpended balances of the amounts provided to the Consortium for Worker Education from the Training and Employment Services account under Public Law 107-117, \$71,202 is hereby cancelled.

Of the unexpended balances provided to New York State from funds made available under Public Law 107-38, which were transferred pursuant to law to the Training and Employment Services account, \$3,589,568 is hereby cancelled.

Of the unexpended balances provided to the State of California and Los Angeles County from funds made available under Public Law 103-211, which were transferred pursuant to law to the Training and Employment Services account, \$834,168 is hereby cancelled.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

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EXPLANATION OF LANGUAGE CHANGE

No change except funding level.

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ANALYSIS OF APPROPRIATION LANGUAGE

Language Provision

...that notwithstanding the transfer limitation under section 133(b)(4) of such Act, up to 40 percent of such funds may be transferred by a local board if approved by the Governor:

Analysis of Language

Permits the transfer of funds between Adult and Dislocated Worker programs at the local level at a higher rate than the 20 percent allowed by authorization.

TRAINING AND EMPLOYMENT SERVICES

AMOUNTS AVAILABLE for OBLIGATIONS

(Dollars in Thousands)

	FY 2006 Enacted		FY 2007 C.R.		FY 2008 Agency Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation (Amount shown in Appropriation Language)		\$2,652,411		\$2,791,341		\$2,031,411
Reduction pursuant to (P.L. 109-148)		-\$26,524				
Reduction pursuant to (P.L. 109-149)		-\$25,000				
Hurricane Supplemental (P.L. 109-148)		\$125,000				
Hurricane Supplemental (P.L. 109-234)		\$16,000				
Other Supplementals and Rescissions						
Appropriation, Revised	0	\$2,741,887	0	\$2,791,341	0	\$2,031,411
Real Transfer to:						
Job Corps Transfer to Departmental Mgt [<i>negative entry</i>]		-\$1,573,270				
Real Transfer from:						
Job Corps Transfer from ETA [<i>positive entry</i>]		\$1,573,270				
SUIESO [<i>positive entry</i>]						\$745,561
A.1) Subtotal Appropriation (adjusted)	0	\$2,741,887	0	\$2,791,341	0	\$2776,972
Offsetting Collections From:						
Reimbursements		\$24,000		\$24,000		\$24,000
Trust Funds						
Fees		\$131,653		\$125,000		\$125,000
A.2) Advance Appropriation		\$2,463,000		\$2,463,000		\$2,463,000
Reduction pursuant to (P.L. 109-148) in FY 2006		-\$23,380				
Reduction pursuant to (P.L. 109-149) in FY 2006		-\$125,000				
A.2) Subtotal [<i>positive entry</i>]	0	\$2,470,273	0	\$2,612,000	0	\$2,612,000
B. Gross Budget Authority [sum of A.1 and A.2]	0	\$5,212,160	0	\$5,403,341	0	\$5,388,972
Offsetting Collections						
Deduction: (all entries are negative)						
Reimbursements		-\$24,000		-\$24,000		-\$24,000
Fees		-\$131,653		-\$125,000		-\$125,000
B.1) Subtotal [<i>negative entry</i>]	0	-\$155,653	0	-\$149,000	0	-\$149,000
C. Budget Authority [sum of B. and B.1]	0	\$5,056,507	0	\$5,254,341	0	\$5,239,972
Before Committee	0	\$5,056,507	0	\$5,254,341	0	\$5,239,972
Offsetting Collections From: [<i>all entries are positive</i>]						
Reimbursements		\$24,000		\$24,000		\$24,000
Fees		\$131,653		\$125,000		\$125,000
IT Crosscut						
C.1) Subtotal [<i>positive entry</i>]	0	\$155,653	0	\$149,000	0	\$149,000
D. Total Budgetary Resources	0	\$5,212,160	0	\$5,403,341	0	\$5,388,972
Other Unobligated Balances		\$142,840				
Unobligated Balance Expiring				-\$25,000		
E. Total, Estimated Obligations	0	\$5,355,000	0	\$5,378,341	0	\$5,388,972

TRAINING AND EMPLOYMENT SERVICES

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2007 C.R.	FY 2008 Agency Request	Net Change					
Budget Authority								
General Funds	5,254,341	5,239,972	-14,369					
Trust Funds			0					
Total	5,254,341	5,239,972	-14,369					
Explanation of Changes	FY 2007 Base		FY 2008 Change					
			Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases								
A. Built-Ins:								
Job Corps Built-Ins	1,458,953				14,573	0		14,573
Job Corps FECA	1,458,953				507	0		507
To provide for an increase of 2 days of pay for Job Corps	1,458,653				690	0		690
Built-Ins Subtotal	N/A		0	0	0	15,770	0	15,770
B. Program:								
To provide for an increase for Job Corps teachers salaries	1,458,953				5,000			5,000
To establish a merged Reintegration of Ex-Offenders Program	0				39,600			39,600
To provide an increase for the Community-Based Job Training Grants	124,000				26,000			26,000
To provide an increase for the Evaluation program	6,036				964			964
To provide funds for the Youthbuild program	0				50,000			50,000
Program Subtotal	N/A		0	0	0	121,564	0	121,564
C. Financing:								
To reflect a transfer to the new Career Advancement Account (CAA) in TES from ES Grants to States in SUIESO (Legislative Proposal)	(Base in SUIESO)				0	688,779		688,779
To reflect a transfer to CAA from WOTC in SUIESO (Legislative Proposal)	(Base in SUIESO)				0	17,677		17,677
To reflect a transfer to CAA from Workforce Information/National Tools/system Building in SUIESO (Proposed Legislation)	(Base in SUIESO)				0	39,105		39,105
Financing Subtotal	N/A		0	0	0	745,561	0	745,561
Total Increase	N/A		0	0	0	882,895	0	882,895

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Explanation of Changes	FY 2007 Base		FY 2008 Change					
			Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
B. Program:								
Reduction in Adult Employment and Training Activities		864,604				-152,604		-152,604
Reduction in Dislocated Workers Employment and Training Activities		1,439,201				-324,262		-324,262
Reduction in Youth Activities		942,081				-101,581		-101,581
To reflect the creation of a merged Reintegration of Ex-Offenders program that incorporates the Responsible Reintegration for Youthful Offenders program		45,625				-45,625		-45,625
Create a merged Reintegration of Ex-Offenders program that incorporates the Prisoner Reentry Initiative		19,840				-19,840		-19,840
Eliminate unrequested funding in Pilots, Demonstrations, and Research		88,263				-75,263		-75,263
Elimination of Technical Assistance		3,643				-3,643		-3,643
Reduction in the Indian and Native American program		53,072				-8,072		-8,072
Elimination of Migrant and Seasonal Farmworkers		79,022				-79,022		-79,022
Elimination of the Denali Commission (Earmark)		6,875				-6,875		-6,875
Reduction in Job Corps Operations resulting from program efficiencies		1,458,953				-57,351		-57,351
Reduction in Job Corps Construction due to one-time decrease for Hurricane Katrina relief and center expansion		123,126				-23,126		-23,126
Program Subtotal		N/A	0	0	0	-897,264	0	-897,264
Total Decrease		N/A	0	0	0	-897,264	0	-897,264
Total Change		N/A	0	0	0	-14,369	0	-14,369

TRAINING AND EMPLOYMENT SERVICES

Summary Budget Authority and FTE by Activity¹

(Dollars in Thousands)

	FY 2006 Enacted		FY 2007 C.R.		FY 2008			
	FTE	Amount	FTE	Amount	Current Law		Legislative Proposal	
					FTE	Amount	FTE	Amount
Training and Employment Services		5,081,508		5,254,341		4,494,411		5,239,972
Career Advancement Accounts		0		0		0		3,413,000
Adult Employment and Training Activities		857,079		864,604		712,000		0
Dislocated Workers Employment and Training Activities		1,462,553		1,439,201		1,114,939		0
Youth Activities		940,500		942,081		840,500		0
WIA Competitive Grants		68,746		189,465		189,600		189,600
Ex-Offender Activities		68,746		65,465		39,600		39,600
Reintegration of Ex-Offenders		0		0		39,600		39,600
Responsible Reintegration of Youthful Offenders		49,104		45,625		0		0
Prisoner Reentry Initiative		19,642		19,840		0		0
Community-Based Job Training Grants		0		124,000		150,000		150,000
WIA National Activities		39,537		97,942		20,000		20,000
Pilots, Demonstrations and Research		29,700		88,263		13,000		13,000
Evaluation		7,857		6,036		7,000		7,000
Technical Assistance/Other		1,980		3,643		0		0
Job Corps		1,573,270		1,582,079		1,522,372		1,522,372
Operations		1,450,350		1,458,953		1,422,372		1,422,372
Construction and Renovation		122,920		123,126		100,000		100,000
Indian and Native American Programs		53,696		53,072		45,000		45,000
Migrant and Seasonal Farmworkers		79,252		79,022		0		0
Youthbuild		0		0		50,000		50,000
Denali Commission		6,875		6,875		0		0

¹FY 2006 reflects enacted, not actual, levels.

The 2007 level is the assumed current rate under the terms of P.L. 109-289, as amended.

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BUDGET AUTHORITY BY OBJECT CLASS

(\$ in Thousands)

	FY 2006	FY 2007	FY 2008	FY 08
	Enacted	C.R.	Request	Request/FY
				07 NTE Curr.
				Rate
11.1 Full-Time Permanent Positions	70,303	70,303	61,303	-9,000
11.3 Other than FTP Positions	3,339	3,339	3,339	0
11.5 Other Personal Compensation	2,900	2,900	2,900	0
11.9 Total Personnel Compensation	76,542	76,542	67,542	-9,000
12.1 Personnel Benefits	22,762	22,762	19,762	-3,000
21.0 Travel/Transportation of Persons	3,365	3,365	3,365	0
22.0 Transportation of Things	720	720	720	0
23.3 Communications/Utilities & Misc.	8,179	8,179	7,179	-1,000
25.2 Other Services	21,433	21,433	18,433	-3,000
25.3 Goods/Services from Gov't Accounts	3,377	3,377	3,377	0
25.4 Operations/Maintenance of Facilities	963	963	963	0
25.6 Medical Care	2,446	2,446	2,446	0
25.7 Operation/Maintenance of Equipment	767	767	767	0
Subtotal: Other Contractual Services				-3,000
26.0 Supplies and Materials	29,489	29,489	25,489	-4,000
31.0 Equipment	1,742	1,742	1,742	0
32.0 Land and Structures	11,453	11,453	10,453	-1,000
41.0 Grants	4,898,270	5,071,103	5,077,734	6,631
Total	5,081,508	5,254,341	5,239,972	-14,369

TRAINING AND EMPLOYMENT SERVICES

SIGNIFICANT ITEMS IN FY 2007

APPROPRIATIONS COMMITTEES' REPORTS

Not applicable.

TRAINING AND EMPLOYMENT SERVICES

APPROPRIATION HISTORY

(\$ in thousands)

	<u>Budget</u> <u>Estimates to</u> <u>Congress</u>	<u>House</u> <u>Allowance</u>	<u>Senate</u> <u>Allowance</u>	<u>Appropriation</u>	
1998.....	5,295,318	5,162,601	5,260,053	5,238,226	
1999.....	5,323,373	4,000,873	5,409,375	5,280,919	1/
2000.....	5,499,798	1,964,758	2,750,694	2,973,424	2/
1999 Advance for 2000...	0	2,607,300	2,720,315	2,463,000	
2001.....	3,643,062	2,552,495	2,990,141	3,206,953	3/
2000 Advance for 2001	2,463,000	2,463,000	2,463,000	2,463,000	
2002.....	5,128,521	3,485,147	3,070,281	3,199,314	4/
2001 Advance for 2002	0	2,098,000	2,463,000	2,463,000	
2003.....	2,573,228	2,674,513	3,170,364	2,726,789	5/
2002 Advance for 2003	2,463,000	2,463,000	2,463,000	2,446,991	5/
2004.....	2,488,986	2,614,039	2,677,588	2,682,465	6/
2003 Advance for 2004	2,463,000	2,463,000	2,463,000	2,448,468	6/
2005.....	2,863,292	2,649,728	2,914,662	2,879,183	7/8/ 9/ 10
2004 Advance for 2005	2,463,000	2,463,000	2,463,000	2,344,296	7/
2006.....	3,404,949	2,658,792	2,787,806	2,625,888	10/
2005 Advance for 2006	2,438,000	11/ 2,463,000	2,463,000	2,439,620	10/
2007.....	1,949,405	2,504,209	996,832	2,791,341	12/
2006 Advance for 2007	2,463,000	2,463,000	2,463,000	2,463,000	12/
2008.....	2,776,972				
2007 Advance for 2008	2,463,000				
2008 Advance for 2009	2,463,000				

1/ Includes \$1,595,000 for Job Corps Y2K compliance.

2/ Includes a reduction of \$12,258,000 pursuant to P.L. 106-113, enacted 11/29/99.

3/ Includes a reduction of \$852,000 pursuant to P.L. 106-554, enacted 12/21/00.

4/ Includes a reduction of \$448,000 pursuant to P.L. 107-116, enacted 1/10/02, and an increase of \$32,500,000 pursuant to P.L. 107-38 enacted 1/10/02 (Department of Defense and Emergency Supplemental Appropriations for Recovery from and Response to Terrorists Attacks on the United States Act, 2002). Additionally, includes a reduction of \$20,000 pursuant to P.L. 107-206, enacted 8/2/2002.

5/ Reflects a 0.65% across-the-board reduction pursuant to P.L. 108-7.

6/ Reflects a 0.59% across-the-board rescission pursuant to P.L. 108-199.

7/ Reflects a 0.80% across-the-board rescission pursuant to P.L. 108-447

8/ Reflects a portion of \$18,000,000 rescission to Labor/HHS/Educ pursuant to P.L. 108-447 and a transfer of \$4,410,413 from SUIESO.

9/ Excludes \$795,280 appropriated pursuant to DOD Appropriations Act P.L. 108-287 (Earmark)

10/ Reflects a 1.0% government-wide rescission pursuant to P.L. 109-148.

11/ Reflects a \$25,000,000 decrease in Job Corps Construction, Rehabilitation, and Acquisition

12/ Reflects the continuing resolution at the FY 2006 level pursuant to P.L. 109-383

CAREER ADVANCEMENT ACCOUNTS

(Dollars in Thousands)

			Difference	FY 2008		Difference
	FY 2006	FY 2007	FY 06 Enact	Current	Legislative	FY 07 C.R.
	Enacted	C.R.	FY 07 C.R.	Law	Proposal	FY 08 Req
Activity Appropriation	\$0	\$0	\$0	\$0	\$3,413,000	\$3,413,000
Career Advancement Accounts	\$0	\$0	\$0	\$0	\$3,413,000	\$3,413,000

Introduction

The 21st Century economy brings with it new challenges to workers, businesses, and the government. Globalization, innovation, and technological advancements are transforming occupational requirements, job sectors, and entire industries. The workforce investment needs of this “new economy” are significantly different from those we have known in the past. Businesses require more and more skilled workers and, as a result, workers require higher level of skills.

The workforce investment system, as currently constituted, is ill-equipped to meet the training challenges brought on by the needs of the 21st Century economy. This is due, in part, to a lack of program integration, which causes too much time and money to be spent on competing bureaucracies, overhead costs, and administrative complexity, and not enough on meaningful employment assistance and skills training.

Early in 2006, as a part of his FY 2007 Budget, President Bush announced a new agenda for the Nation’s economy called the *American Competitiveness Initiative*. The initiative is made up of series of actions designed to ensure our country’s ability to compete in the global economy. As a part of this initiative, the President presented a bold proposal to reform the Workforce Investment Act (WIA) and related programs. The 2007 proposal was guided by several reform principles: promoting state and local flexibility, increasing the number of workers trained, streamlining governance structures, improving performance accountability, and strengthening workers’ ownership of their own careers.

The 2008 Budget re-proposes significant workforce investment system reforms based upon the Administrations reform principles articulated above. The President's reforms would maintain the existing nationwide system of One-Stop Career Centers, but reduce duplication by consolidating several similar funding streams into one large State grant program, limiting the amount of funds that could be spent on overhead, cutting Federal red tape, and creating Career Advancement Accounts (CAA) – worker-directed accounts to give individuals the resources necessary to increase their skills and better compete for jobs.

CAREER ADVANCEMENT ACCOUNTS

The separate funding streams to be consolidated include WIA Dislocated Worker Assistance, WIA Adult Employment and Training Activities, WIA Youth Activities, Wagner-Peyser Employment Service State grants, Labor-Market Information funding, and State grants to administer the Work Opportunity and Welfare-to-Work tax credits.

CAAs would be self-directed accounts that enable current and future workers to gain the skills needed to successfully enter, navigate and advance in the 21st century labor market. Accounts would be available to both adults and out-of-school youth entering or re-entering the workforce or transitioning between jobs, or incumbent workers in need of new skills to remain employed or to move up the career ladder. Additional eligibility criteria and service priorities would be established by states. The maximum amount of an account would be \$3,000 for one year. This is sufficient to finance approximately one-year's study at a community college – according to the College Board, *Trends in College Pricing 2006*, the national average cost for tuition and fees for one year at a community college is \$2,272. The accounts may be renewed for one additional year, for a total two-year account of up to \$6,000 per worker.

The proposal, which would significantly increase the number of workers receiving training and enhances access to training services by incorporating a number of new features. First, the eligibility for training is simplified and enhanced. Under current law, a worker must meet what are often referred to as “sequence of services” requirements. Before being eligible for training, the worker must first receive core and intensive services, and then meet a number of other requirements. These requirements would be eliminated. At a minimum, workers who are unemployed (including new entrants), employed but need training to retain or advance in employment, or out-of-school youth (individuals ages 16 or 17, who have dropped out of school and are not subject to the state compulsory school attendance law) would be eligible for CAAs. States would have the flexibility to establish additional eligibility criteria for these groups of workers and to establish priorities of service among these groups.

Second, the proportion of funds provided under title I of WIA which are devoted to training activities would be greatly enhanced. As a result, the CAA proposal would triple the number of workers currently trained through the workforce investment system.

Third, the requirements relating to the eligibility of training providers would be simplified. Under current law, prescriptive Federal requirements have had the unintended consequence of deterring many training providers from participating in WIA, thereby reducing the choices available to participants. The CAA proposal would provide that the states establish appropriate eligibility and accountability requirements for providers of training services. This approach would increase flexibility and the choices available to recipients of CAAs, while maintaining accountability.

Under a strong, but streamlined, performance accountability system, states would report on performance for three primary outcome measures: (1) entered employment; (2) retention in employment; and (3) earnings. Attainment of a degree or certificate, placement in education, and literacy/numeracy gains would be tracked as intermediate outcomes on the individual record.

CAREER ADVANCEMENT ACCOUNTS

Five-Year Budget History

Career Advancement Accounts

Fiscal Year	Funding (Dollars in Thousands)
2003	\$0
2004	\$0
2005	\$0
2006	\$0
2007	\$0

FY 2008

In FY 2008, it is proposed that funds previously appropriated for the following programs be allocated to states as a single funding stream:

- WIA Adult Program
- WIA Dislocated Worker Program
- WIA Youth Program
- Employment Service Programs, including Employment Service formula grants, labor market information grants, and grants for administration of the Work Opportunity Tax Credit and the Welfare-to-Work Tax Credit

The proposal would limit the use of grant funds for administrative and overhead costs. A five percent cap on administrative costs would be applied at the state level and a 10 percent cap would be applied at the local level with a stricter definition of administrative costs imposed. These requirements would free up funds for Career Advancement Accounts and basic employment services. States would use the majority of their funds to provide training through CAAs. At the level requested in the FY 2008 Budget, over 600,000 participants are expected to receive Career Advancement Accounts and an additional estimated 12,660,000 participants would receive other basic employment services.

Career Advancement Accounts

Lessons learned from the implementation of Individual Training Accounts (ITAs), Personal Reemployment Accounts (PRAs), Lifelong Learning Accounts (LiLAs) would be used to inform the design of the new Career Advancement Accounts.

Specific eligibility criteria would be established by states, but we expect states would target dislocated workers, low-income adults and disadvantaged youth. States must determine priority of service consistent with the veterans' priority of service requirement under the Jobs for Veterans Act (PL 107-288). The maximum amount of an account would be \$3,000 for one year.

CAREER ADVANCEMENT ACCOUNTS

This is sufficient to finance approximately one year's study at a community college according to the College Board, *Trends in College Pricing 2006*, the national average cost for tuition and fees for one year at a community college is \$2,272. The accounts may be renewed for one additional year. Individuals must use their accounts to pay for expenses directly related to education and training. Education and training activities must lead to the attainment of a portable, industry-recognized credential.

Employment Services

Under the proposal, in addition to providing access to CAAs, the One-Stop Career Centers would continue to deliver core employment services, such as job search assistance, career and skills assessment, job placement assistance, and basic career counseling, including information on high growth occupations that ensure career ladders. Services to employers would include postings of job openings and assistance in finding trained workers. Access to information and services of One-Stop partner programs would be available at the One-Stop Career Centers. Supportive services, such as child care and transportation, would be made available and paid for through arrangements made by the state with other Federal, state and local supportive service programs, and states would be encouraged to provide information and access to these services at the One-Stop Career Centers.

National Reserve

A portion of the total funding appropriated for Career Advancement Accounts would be reserved at the Federal level for a National Reserve Fund. The Secretary would have the discretion to use this funding to address unanticipated events, such as natural disasters and mass layoffs and for innovative projects for adults and youth. In addition, states would still be able to carry out rapid response activities in response to large-scale layoffs and plant closings. However, unlike current law, there would be no specific amount reserved for rapid response activities at the state level. The Career Advancement Accounts would apply to ETA in a manner similar to National Emergency Grant applications.

ETA's Role

The role for ETA would be to provide states, employers, and job seekers with the best information on economic and employment trends, growth industries and job skills requirements, support for innovative workforce demonstration initiatives, research and evaluation, and national leadership.

FY 2007

This is a new program activity for FY 2008.

FY 2006

This is a new program activity for FY 2008.

CAREER ADVANCEMENT ACCOUNTS

WORKLOAD SUMMARY

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	FY 2008	
			Current Law	Legislative Proposal
Career Advancement Accounts				
Career Advancement Total Served	N/A	N/A	N/A	13,293,000
Participants receiving employment services	N/A	N/A	N/A	12,660,000
Cost per participants receiving employment services	N/A	N/A	N/A	\$55
Participants receiving CAA	N/A	N/A	N/A	633,000
Cost per participant receiving CAA	N/A	N/A	N/A	\$3,000
Budget Activity Total	\$0	\$0	\$0	\$3,413,000

CHANGES IN 2008

(\$ in thousands)

Activity Changes		
Built-in		
To provide for:		
Grants		
Total Built-in		
Net Program		\$3,413,000
Direct FTE		
	Estimate	FTE
Base	\$0	
Program Increase	\$3,413,000	

CAREER ADVANCEMENT ACCOUNTS

**U.S. Department of Labor
Career Advancement Accounts
Performance Budget Issue Paper
Career Advancement Accounts Increase**

Applicable Performance Goal: Performance Goal 2L – Improve opportunities for employment, retention, and earnings increases through Career Advancement Accounts.

Requested Resources: \$3,413,000,000 is requested for the workforce investment system reform proposal.

Rationale/Strategy and Performance Impact Related to Resource Increase:

Federal job training dollars should be put in the hands of the individuals in need of assistance, by replacing the current siloed system of separate training programs serving different populations with a single state grant for the provision of employment and training services, with a significant share dedicated to Career Advancement Accounts. Under the current system, too many resources are being used to pay for administrative functions, overhead costs, and multiple levels of staff. The public workforce investment system should be redesigned to give individuals control over the resources they need to support their careers in the 21st century economy.

In FY 2008, it is proposed that funds previously appropriated for the following programs be allocated to states as a single funding stream:

- WIA Adult Program
- WIA Dislocated Worker Program
- WIA Youth Program
- Employment Service Programs, including Employment Service formula grants, labor market information grants, and grants for administration of the Work Opportunity Tax Credit and the Welfare-to-Work Tax Credit

The proposal would limit the use of grant funds for administrative and overhead costs. A five percent cap on administrative costs would be applied at the state level and a 10 percent cap would be applied at the local level with a stricter definition of administrative costs imposed. These requirements would free up funds for Career Advancement Accounts and basic employment services. States would use the majority of their funds to provide training through CAAs. At the level requested in the FY 2008 Budget, over 600,000 participants are expected to receive Career Advancement Accounts and an additional estimated 12,660,000 participants would receive other basic employment services.

States would use a majority of their funding for Career Advancement Accounts (CAA). CAAs are self-directed accounts of up to \$3,000 that workers will be able to use to obtain the training and education services they need to enter, navigate, and advance in 21st century jobs. In addition, states would dedicate a portion of these funds to the provision of basic employment

CAREER ADVANCEMENT ACCOUNTS

services such as labor market information, job search assistance, and career and skill assessments to workers. One-Stop Career Centers would provide these employment services, as well as access to the accounts.

With more clearly defined administrative costs and the majority of funding used to finance the accounts, this proposal means that more individuals will participate in job training and attain new and higher level job skills. At a time when training and skill development is of the utmost importance to workers and the economy, the President's reforms triple the number of workers trained under these DOL programs in the current job training system.

Base Level Funding:

Base:

Estimate: \$0

FTE: 0

Program Performance at Request Level: Career Advancement Accounts would result in more opportunities for individuals to participate in job training than currently under the public workforce investment system. Approximately 200,000 individuals receive training through the WIA Adult, Dislocated Worker, and Youth Programs and the Employment Service each year. However, under Career Advancement Accounts, it is estimated that over 600,000 individuals would participate in training, three times the number receiving training under the current system. The number of participants receiving other employment services is estimated to be 12,660,000.

Program Increase:

Estimate: \$3,413,000,000

FTE: 0

Object Class (\$ in thousands):

Object Class		FY 2008 Request
41.0	Grants, subsidies and contributions	\$3,413,000
	TOTAL	\$3,413,000

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	Difference FY 06 Enact FY 07 C.R.	FY 2008		Difference FY 07 C.R. FY 08 Req
				Current Law	Legislative Proposal	
Activity Appropriation	\$3,260,132	\$3,245,886	\$110,754	\$2,667,439	\$0	-\$3,245,886
Adult Employment and Training Activities	\$857,079	\$864,604	\$7,525	\$712,000	\$0	-\$864,604
Dislocated Workers Employment and Training Activities	\$1,462,553	\$1,439,201	\$101,648	\$1,114,939	\$0	-\$1,439,201
Youth Activities	\$940,500	\$942,081	\$1,581	\$840,500	\$0	-\$942,081

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

Introduction

The Adult Formula Program under title I of the Workforce Investment Act (WIA) provides workforce investment services to adults that are intended to increase their employment, retention in employment, and earnings, and also support their occupational skill attainment and career advancement. WIA Adult program funds are distributed by statutory formula to states, which in turn distribute resources to Local Workforce Investment Areas. Local Workforce Investment Boards are charged with strategic planning and oversight activities in support of workforce and economic development, and contract for the provision of employment and training services for adults.

The Act specifies that services for adults will be provided through One-Stop Career Centers; services such as career guidance and workforce information may also be provided virtually. The Act authorizes three types of service that are available to all job seekers. “Core” services include initial assessment, job search and placement assistance, and workforce and economic information. “Intensive” services include more comprehensive assessments, development of individual employment plans, and career guidance and planning. Participants may also receive “training” services linked to employment in demand, including occupational training, skills upgrading, and adult literacy training. Participants use Individual Training Accounts to select an appropriate training program from qualified providers.

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

The Performance Chapter describes the ways in which the WIA Adult program supports the Department’s strategic goals. Detailed performance data on the employment outcomes of individuals served by this program are also available there.

The WIA Adult program was assessed in 2005 using the Program Assessment Rating Tool (PART) process and was rated as “Adequate.” The PART found that the program has generally performed well for participants. Between 2000 and 2004, the program exceeded its goals of helping participants to find jobs and retain them. However, multiple separate Federal funding streams and program requirements constrain state and local flexibility to assist workers and job seekers in innovative, responsive ways and unnecessarily increases costs beyond what would otherwise be required. See the Performance Chapter for details about how planned improvements in the WIA Adult program will increase efficiency and flexibility and better meet the needs of program participants.

For PY 2008, the Department has proposed to consolidate WIA Adult funds with WIA funds for Dislocated Workers and Youth, along with Employment Service funds, for a greater focus on educating a prepared workforce through the use of Career Advancement Accounts (CAAs). See the CAA Budget Narrative for additional information.

Five-Year Budget History

Adult Employment and Training Activities

Fiscal Year	Funding (Dollars in Thousands)
2003	\$894,150
2004	\$894,690
2005	\$890,922
2006	\$857,079
2007	\$864,604

FY 2008

ETA proposes that funds previously appropriated for the WIA Adult Program, together with funds previously appropriated for the WIA Dislocated Worker and Youth Programs and the Employment Service, be allocated to states as a single funding stream. States would use these funds primarily to provide Career Advancement Accounts to individuals in need of employment assistance. A portion of this funding would also be used by states to provide basic employment services such as career assessments, workforce information, and job placement assistance. See the Budget Narrative on Career Advancement Accounts for additional information.

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

FY 2007

In the current fiscal year, ETA continues its focus upon the key priorities and initiatives begun during FY 2006. The Department's focus upon fundamental workforce system transformation includes efforts to help states and local areas identify and eliminate duplicative and inefficient administrative and service delivery structures and to align and integrate funding, services, and strategic priorities in order to ensure that the majority of workforce system resources are devoted to post-secondary education for careers in economic growth areas. ETA continues to work to improve not just the availability of post-secondary training resources, but also to increase the number of individuals who access education that leads to career advancement.

Ensuring increased resources for post-secondary education – and increased use of those resources by more individuals – demands that the state and local workforce system creatively and innovatively leverage and integrate multiple Federal and non-Federal education and training funding streams. ETA is developing and disseminating policy guidance and practical technical assistance resources to assist the workforce system in identifying and supporting increased education opportunities for adults. Similarly, as part of the focus upon supporting access to life-long learning opportunities, ETA is strengthening its efforts to disseminate and encourage alternative learning pathways for adults, including apprenticeship and technology-based learning models.

As in FY 2006, the Department continues its efforts to promote and support innovative and integrated engagement and service delivery strategies for targeted adult populations, including transitioning veterans, military spouses, and older workers. ETA is working with state and local partners to improve their strategic planning around these customers, including enhanced outreach efforts and targeted service delivery. Additionally, ETA is disseminating policy and guidance to the workforce system around understanding how key labor pools, such as military spouses and transitioning veterans, contribute to regional talent assets and economic growth. Ensuring that targeted customer groups access the full array of career development and advancement resources available in the One-Stop delivery system, and that workforce system services are responsive to their particular needs, are priorities for ETA in the current fiscal year.

FY 2006

The Department provided direction and technical assistance to state and local workforce organizations in support of a flexible, demand-driven, fully integrated workforce investment system focused on helping workers develop the skills necessary to succeed in the 21st century innovation economy. The Department encouraged and supported states and local areas by eliminating duplicative system infrastructures, developed integrated service delivery strategies for the wide array of populations served through the One-Stop Career Center delivery system, and focused job training investments on skills and occupations in demand to enable individuals to successfully access career pathways to achieve self-sufficiency.

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

Through policy, technical assistance, and related tools and resources, the Department helped states and local areas to identify and eliminate duplicative administrative and service delivery structures and to align and integrate services and strategic priorities in order to ensure that maximum resources were devoted to training. A critical focus of the Department in the last fiscal year was improving the availability of resources for educating a prepared workforce, increasing the number of individuals who access these educational opportunities, and ensuring that educational investments were strategically aligned with regional economic and workforce development needs.

A highly integrated One-Stop Career Center system gives key populations such as veterans, older workers, migrant and seasonal farmworkers, individuals with disabilities, and military spouses access to the full array of services provided by 17 Federal programs while expanding the pipeline of available workers for businesses. Through collaborative efforts, the Department provided guidance and tools to enhance the capacity of the workforce system to serve veterans, including a continued focus on providing priority of service to this population.

The WIA Adult program contributed important support and leveraged services to the Department's responses to significant economic transitions. In concert with the WIA Dislocated Worker program, the WIA Adult program assisted workers, employers, and communities impacted by major economic shifts, such as the Base Realignment and Closures (BRAC) process, plant closures and shift reductions in the automotive manufacturing industry, and changes and downsizing in the textile industry. In particular, the Adult program provided critical economic and workforce information, as well as comprehensive career guidance services in order to help workers impacted by economic transitions, to help these workers access education, reemployment, and career advancement opportunities.

In regional communities where industries were either growing or downsizing – or, as was often the case, doing both at the same time – the Department coordinated Adult program resources with other funding and services for dislocated workers to assist communities in implementing proactive workforce and economic development strategies to ensure economic health both during and after transition events. By strengthening its focus on providing life-long education opportunities to workers and job seekers, and by providing important business services to industries all along the continuum of economic transformation, the WIA Adult program delivered critical skill and talent development support to workers, employers and communities in a time of rapid change.

Another key focus area for the Department was developing stronger national, state, and local strategies for career guidance for both youth and transitioning adults. DOL worked with the Department of Education, business and industry, the continuum of educational institutions with a focus on community colleges, and other strategic partners to develop models for exposure to career opportunities and delivery of comprehensive workforce and economic information and career guidance services. The Department made available an industry-based competency model for advanced manufacturing, while continuing work on the development of competency frameworks for other high-growth, high-demand industries to support its career guidance efforts.

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

WORKLOAD SUMMARY

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	FY 2008	
			Current Law	Legislative Proposal
Adult Employment and Training Activities				
Participants	329,646	332,540	273,846	0
Cost per Participants	\$2.60	\$2.60	\$2.60	\$0.00
Budget Activity Total	\$857,079	\$864,604	\$712,000	\$0

CHANGES IN 2008

(\$ in thousands)

Activity Changes		
Built-in		
To provide for:		
Grants		\$0
Total Built-in		\$0
Net Program		-\$152,604
Direct FTE		
	Estimate	FTE
Base	\$864,604	
Program Decrease	-\$152,604	
Program Transfer to CAA	-\$712,000	

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

**U.S. Department of Labor
Adult Employment and Training Activities
Performance Budget Issue Paper
Adult Employment and Training Activities Decrease**

Applicable Performance Goal: Performance Goal 2A – Increase the employment, retention, and earnings of individuals registered under the Workforce Investment Act Adult Program.

Requested Resources: No funding is requested for the WIA Adult Program for FY 2008. In FY 2008, ETA proposes that funds previously appropriated for the WIA Adult Program, together with funds previously appropriated for the WIA Dislocated Worker and Youth Programs, and the Employment Service, be allocated to states as a single funding stream to be used primarily for Career Advancement Accounts.

Rationale/Strategy and Performance Impact Related to Resource Decrease: Today's public workforce investment system is comprised of a maze of separate programs – each carrying its own statutory and regulatory requirements and managed through its own bureaucracy. WIA is the latest in a series of job training programs which were created to operate along side of the Employment Service program. These programs date back to the War on Poverty and the Great Society efforts of the 1960s. WIA's predecessors include the Manpower Development and Training Act, the Comprehensive Employment and Training Act and the Job Training Partnership Act. A common thread running through this progression of legislation is a move towards local control, increased flexibility, less bureaucracy, and greater accountability.

The workforce investment system, as currently constituted, is ill-equipped to meet the training challenges brought on by the need for increased skills and competencies possessed by workers. This is due, in part, to a lack of program integration, which causes too much money to be spent on competing bureaucracies, overhead costs, and unnecessary infrastructure, and not enough on meaningful skills training that leads to job growth and economic prosperity.

For additional information on the Administration's workforce investment system reforms, including Career Advancement Accounts, see the Budget Narrative and Issue Paper on Career Advancement Accounts.

Base Level Funding:

Base:

Estimate: \$864,604,000

FTE: 0

Program Performance at Request Level: No funding is requested for the WIA Adult Program for FY 2008.

Program Decrease:

Estimate: -\$152,604,000

FTE: 0

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WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

Object Class (\$ in thousands):

Object Class		FY 2008 Request
41.0	Grants, subsidies and contributions	-\$864,604,000
	TOTAL	-\$864,604,000

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

**U.S. Department of Labor
Adult Services
Performance Budget Issue Paper
Technical Amendments to Improve WIA Performance and Efficiency**

Applicable Performance Goal:

DOL Strategic Goal 2 – A Competitive Workforce.

Requested Resources:

No resources are requested.

Rationale/Strategy and Performance Impact:

Over the past several years, President Bush has sought to reform the workforce investment system in order to improve program performance and efficiency. In alignment with these goals, ETA proposes a number of technical changes that will enhance performance accountability for Workforce Investment Act (WIA) programs and improve fiscal management and the efficiency of program operations.

National Directory of New Hires

The National Directory of New Hires, established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to locate non-custodial parents for purposes of enforcing payment of child support, contains wage and employment information from both the Unemployment Insurance (UI) wage records and Federal employment. This database contains information that is more comprehensive than the sources of information currently available to WIA and other workforce programs for performance accountability purposes. With access to this database, workforce programs would have an enhanced ability to verify employment and earnings outcomes of their participants.

Other government agencies have been granted access to the National Directory of New Hires. For example, State Workforce Agencies are authorized to access the data for the purposes of administering an Unemployment Compensation program under Federal or state law. The Department of Housing and Urban Development can access the data for the purpose of verifying the employment and income of individuals participating in certain housing programs.

Several steps are necessary to establish access for the Department of Labor to the National Directory of New Hires:

- Establish new statutory authority (by amending the Social Security Act) for the Secretary of Labor to verify employment and income and receive individual information of individuals participating in workforce investment programs funded by the Department of Labor.
- Amend current WIA legislation at section 136(f)(2) to authorize the Secretary of Labor, in collaboration with the Secretary of Education, to use quarterly wage and employment information

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

from the National Directory of New Hires to meet performance accountability requirements contained in the Act.

- Amend section 453 of the Personal Responsibility and Work Opportunity Reconciliation Act to authorize the Secretary of Labor to access the National Directory of New Hires Information (as defined in the Act) for purposes of verifying employer information and administering foreign labor certification programs authorized under the Immigration and Nationality Act.
- Establish a Memorandum of Understanding and Security Addendum with the Department of Health and Human Services to describe the intended use of the data.
- Establish security safeguards to restrict access to the information to authorized persons and for authorized uses.

Obligational Authority for WIA Funds

ETA proposes to reduce from three years to two years, the period of time states have to expend obligated funds. This is consistent with the period available to local areas. Currently, WIA Sec. 189(g)(2) specifies that “Funds obligated for any program year for any program or activity...may be expended by each State receiving such funds during that program year and the 2 succeeding program years.” ETA proposes to amend this provision to read “...during that program year and one succeeding program year.”

The rationale for this change is that carryover of unexpended funds continues to be at high levels under WIA. For example, the PY 2005 unexpended carryover for the WIA Youth, Adult and Dislocated Worker programs totaled \$1.133 billion for all states. States maintain that the existence of this carryover does not indicate a lack of need for WIA funds. However, the availability of substantial carryover funds makes it difficult to justify ETA’s budget request for WIA programs to the Administration and Congress. Allowing only two years to expend the funds before the states lose them will prompt the states to take stronger management and oversight actions to ensure the funds are spent in a timely manner and thereby reduce the carryover levels. Presently, about 94 percent of WIA funds are spent during the first two years. The only states significantly impacted by this change would be those where spending lags considerably behind national averages.

Real Property

Section 193 of WIA allows certain property acquired under grants for the administration of Unemployment Compensation (UC) and the Wagner-Peyser Act to be used for WIA One-Stop related activities and other purposes. However, states do not have the flexibility to sell their portion of real property and use the proceeds attributable to Federal equity for services and other purposes rather than account for it and return it to Treasury. Such flexibility has been provided by Congress for specific buildings.

Current property disposition requirements severely constrain the flexibility of states in determining where to locate services for the public. Many states purchased real property with Reed Act funds in the 1950s and amortized the cost of the property with subsequent UC or Wagner-Peyser

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

administrative grants. Many states have been interested in disposing of the real property and relocating the provision of UC and Wagner-Peyser services in One-Stop Career Centers or in other locations that would better serve the public and would be more cost-efficient. However, since the current disposition rules would require the portion of any disposition attributable to the Federal equity to either be rolled over into new property (which the state may not need), or to be returned to the U.S. Treasury and thus not be available for programmatic purposes, many states have opted to retain the property and remain at current locations.

WIA Section 193 could be amended to provide flexibility to states in disposing of this UC/Wagner-Peyser real property. The amendment language could direct that the Federal equity in the property be transferred to the states and that the portion of the real property attributable to the transferred equity be used by the state for UC or WIA purposes. The language could also require that the disposition of the real property be carried out in accordance with procedures prescribed by the Secretary, which would ensure that a fair market value is obtained.

Special provisions have been enacted to transfer Federal equity in a specific building or buildings to a state or another entity for purposes that do not benefit workforce system programs. If this matter is not addressed systemically, we will increasingly see a valuable potential Federal resource disappear without any benefit to Federal programs that paid for the properties.

WIA Formula Factors

ETA proposes technical amendments to the statutory formulas for state allotments and sub-state allocations as follows:

- Amend the definition of an Area of Substantial Unemployment (ASU) to be: based on the total national average unemployment rate for the same period, or individual state average unemployment rate for sub-state formulas, instead of 6.5%.
- Amend the definition of “excess” unemployment to be based on a percentage* of the national, or individual State for sub-state formula, average unemployment rate for the same period, instead of 4.5%.

The WIA statutory formulas for determining state allotments in the Adult, Youth and Dislocated Worker programs use data factors based on unemployment rate thresholds. The Youth and Adult programs distribute one-third of the funds based on the number of individuals in ASUs, and all three programs distribute one-third of the funds based on number of individuals in excess unemployment. The threshold unemployment rate for the ASUs is 6.5% and over and the rate for “excess” unemployment is above 4.5%. The statutory sub-state allocation formulas for the Youth and Adult programs are similar to the state allotment formulas in the data factors used (there is no statutory Dislocated Worker sub-state formula). These factors and definitions for the ASUs and excess unemployment for both the State and sub-state formulas are the same as those enacted in the Job Training and Partnership Act in 1982, when general unemployment levels were higher in a different economic environment than today.

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

With structural changes in the economy that have occurred over the last few decades, levels of unemployment have declined, and these fixed unemployment rate thresholds are no longer appropriate. The current unrealistically high thresholds make it more likely that fewer states (or areas within states) will meet the threshold and thus not be entitled to a share of the funds distributed on the ASU factor and/or the “excess” factor. In PY 2006, some states have not been able to identify any ASUs at the sub-state level even with the flexibility of defining ASUs using census tracts. For several years now, with unemployment at low levels, one-third or more states have not qualified for a share of the funds distributed on the “excess” factor in the Dislocated Worker program. When only a portion of the states (or sub-state areas within a state) receive all funds from one factor’s distribution, greater distortions in total funding are created, raising concerns of inequity among areas and funding instability from year to year.

Revised definitions for these formula data factors are needed which use unemployment rate thresholds that are more adaptable to changing conditions over time while maintaining reasonable differentiation of relatively high levels of unemployment, both among States and among areas within States. The proposed amendments would use concepts similar to those used in other measures of high unemployment, such as Labor Surplus Areas, which defines the threshold in terms of a percentage of the national unemployment rate. These new definitions would make it possible for more areas to receive a share of all the funding in proportion to their share of relative high unemployment.

Base Funding Level:

Base:

Estimate: \$N/A FTE: N/A

Program Performance at Requested Level: These technical changes will enhance performance accountability for WIA programs and improve fiscal management and the efficiency of program operations.

Program Increase:

Estimate: \$N/A FTE: N/A

Object Class (\$ in thousands):

Not applicable – no additional resources are requested.

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

Introduction

The Dislocated Worker Formula Program under title I of the Workforce Investment Act (WIA) provides workforce investment services to individuals who have lost their jobs, including those dislocated as a result of plant closings or mass layoffs, and who are unlikely to return to their previous industries or occupations; formerly self-employed individuals; and displaced homemakers who have been dependent on the income of another family member, but are no longer supported by that income.

The Act authorizes three types of service, which are available to all jobseekers. “Core” services include initial assessment, job search and placement assistance, and workforce and economic information. “Intensive” services include more comprehensive assessments, development of individual employment plans, and career guidance and planning. Participants may also receive “training” services linked to employment in demand, including occupational training, skills upgrading, and adult literacy training. Participants use Individual Training Accounts to select an appropriate training program from qualified providers.

The Performance Chapter describes the ways in which the Workforce Investment Act – Dislocated Worker Assistance program supports the Department’s strategic goals. Detailed performance data on the employment outcomes of individuals served by this program are also available there.

The WIA Dislocated Worker program was assessed in 2003 using the Program Assessment Rating Tool (PART) process and was rated as “Adequate.” The PART found that the program has generally met its goals for increasing participants’ reemployment and earnings after getting new jobs. Program accountability has improved with the addition of the cost per participant efficiency measure. However, states and local communities have insufficient flexibility to help dislocated workers in innovative ways due to multiple separate Federal funding streams and varying program requirements. See the Performance Chapter for details about how planned improvements in the Dislocated Worker Employment and Training Program will increase program efficiency and flexibility and better meet the needs of program participants.

For 2008, the Department has proposed to consolidate WIA Dislocated Worker funds with WIA funds for Adults and Youth, along with Employment Service funds, for a greater focus on educating a prepared workforce through the use of Career Advancement Accounts. See the Budget Narrative for additional information.

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

Five-Year Budget History**Dislocated Worker**

Fiscal Year	Funding (Dollars in Thousands)
2003	\$1,454,255
2004	\$1,448,165
2005	\$1,343,584
2006	\$1,587,553
2007	\$1,439,201

Dislocated Worker Formula Grants

Fiscal Year	Funding (Dollars in Thousands)
2003	\$1,149,640
2004	\$1,173,189
2005	\$1,186,480
2006	\$1,181,331
2007	\$1,189,811

Dislocated Worker National Reserve*

Fiscal Year	Funding (Dollars in Thousands)
2003	\$304,615
2004	\$274,976
2005	\$157,104
2006	\$281,222*
2007	\$249,390*

*Congress provided \$125,000 from the Dislocated Workers Employment and Training Activities National Reserve.

FY 2008

ETA proposes that funds previously appropriated for the WIA Dislocated Worker Program, together with funds previously appropriated for the WIA Adult and Youth Programs and the Employment Service, be allocated to states as a single funding stream. States would use these funds primarily to provide Career Advancement Accounts to individuals in need of employment assistance. A portion of this funding would also be used by states to provide basic employment services such as career assessments, workforce information, and job placement assistance. See the Budget Narrative on Career Advancement Accounts for additional information.

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

FY 2007

In the current fiscal year, ETA continues its development and implementation of a new strategic framework to assist regions in anticipating and responding to economic transitions and shocks. This framework draws heavily from approaches developed under ETA's WIRED (Workforce Innovation in Regional Economic Development) initiative and will be shared with state and local workforce system partners through official policy guidance, technical assistance, and coordinated capacity-building efforts throughout the year.

ETA's WIA Dislocated Worker program is coordinating closely with state and local Rapid Response partners to implement a more proactive model of pre-layoff economic transition approaches. In this model, comprehensive skills assessments, improved workforce information and career guidance and improved access to post-secondary education are increasing regions' capacity to respond proactively to economic shock events. The focus on increasing access to training that leads to post-secondary education and credential achievement is a strategic priority in all ETA programs, and is particularly critical for workers and communities experiencing significant shifts in the traditional centers of their regional economies. ETA's increasing focus on investing WIA Dislocated Worker resources in post-secondary education and training is increasing the capacity of the workforce system to respond to the changing talent development needs of regional economies.

The ability to proactively anticipate and plan for economic transition is essential, with ongoing base growth and closure activities related to the Base Realignment and Closures (BRAC) process. As closure and growth activities accelerate in FY 2007, ETA is proactively implementing multiple strategies to assist affected families and communities. Through our ongoing interagency partnership with the Department of Defense (DOD), the Department of Labor is hosting a series of conferences and training sessions to build the capacity of the workforce system to successfully assist impacted regions and personnel. Outreach to the workforce system and DOD counterparts continues to take place to ensure that responses to base closures and growth occur in the context of larger regional economic and talent development needs. Policy guidance related to BRAC will encourage flexibility, proactive responsiveness, and innovation in leveraging WIA Dislocated Worker funding and services to meet the needs of dislocated and/or transitional base personnel and their families. ETA's strategic emphasis on reaching out to military spouses as a targeted population and labor pool is complementing DOD's efforts to retain these individuals.

To support the workforce system in assisting communities affected by major economic transitions, ETA is supporting and disseminating innovative models for serving dislocated workers and partnering with affected employers. In particular, the Department is partnering with the states and regions most seriously impacted by significant layoffs in the American automotive industry and impacted connected sectors to test pilot approaches for assisting affected workers to better access post-secondary education and training to support their career transitions and advancement. A key component of this strategy is comprehensive assessment to chart workers' current skills in declining industries against skills demanded by emerging and growing industries, and to align post-secondary

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

education investments to support talent development for careers and industries in demand. Also, five states have volunteered to demonstrate Career Advancement Accounts to enable workers dealing with automotive industry and associated layoffs to gain the skills needed to enter, navigate, and advance in new careers in today's 21st century economy. Other innovative strategies for communities impacted by automotive industry layoffs include new career guidance models that better incorporate workforce and economic data and information, better leveraging of multiple resources for training and career coaching, and enhanced regional partnerships to more effectively meet the challenges of large economic transitions. Lessons learned in these pilot approaches will be instrumental in shaping broader efforts for dislocated workers throughout the fiscal year and beyond.

Finally, in the current fiscal year, ETA's WIA Dislocated Worker program continues to leverage resources and strategies with other programs and funding streams for dislocated workers and affected employers, including National Emergency Grants, to ensure a coordinated and proactive approach to developing and advancing workers' skills to meet the workforce needs of transitioning regional economies.

FY 2006

In FY 2006, the Department continued to provide direction and technical assistance to state and local workforce organizations in support of a flexible, demand-driven, fully integrated workforce investment system focused on helping dislocated workers to develop and upgrade their skills in order to successfully make employment transitions and obtain reemployment that supports economic self-sufficiency. The Department worked to encourage and support states and local areas by eliminating duplicative system infrastructures, developed integrated service delivery strategies for dislocated workers, and focused education and training investments on skills and occupations in demand to enable dislocated workers to successfully access career pathways with multiple opportunities for advancement. A critical component of the Department's strategic direction for services to dislocated workers included a stronger emphasis on the need to invest resources in post-secondary education and training resulting in portable, industry-recognized credentials. As the majority of careers in emerging and high-growth industries and sectors demand at least some post-secondary education, this strategic investment of resources for dislocated workers and other population is imperative, and will continue to be a priority for the agency in the upcoming fiscal year.

The Base Realignment and Closures (BRAC) process required a significant level of effort to address the displacement of civilian workers in communities experiencing base closures and additional challenges for those communities receiving an influx of workers and jobs due to realignments. DOL, in conjunction with the Department of Defense and other Federal agencies, provided resources, policy guidance, and technical assistance to support the workforce and economic development efforts of impacted communities. In addition, the major dislocation of workers from the automotive industry necessitated assistance to workers and to their communities through the workforce investment system, and the Department implemented innovative education and reemployment strategies to address this particular economic transition.

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Another key focus area for the Department was developing stronger national, state, and local strategies around career guidance for adult workers in transition. DOL worked with the Department of Education, business and industry, community colleges, and other strategic partners to develop models for exposure to career opportunities and delivery of comprehensive workforce and economic information and career guidance services. The Department made available an industry-based competency model for advanced manufacturing, and continued to develop competency frameworks for other high-growth, high-demand industries to support its career guidance efforts. These tools are essential to dislocated workers as they assess education and skill requirements across occupations and industries.

In FY 2006 ETA issued its second competitive Solicitation for Grant Applications and awarded \$125,000,000 to 72 community colleges, institutions of higher education, and One-Stop Career Centers in both urban and rural areas.

These Community-Based Job Training grants were awarded to (i) increase the capacity of community colleges to provide training in a local high-growth, high-demand industry through activities such as the development of training curricula with local industry, hiring qualified faculty, arranging on-the-job experiences with industry, and using up-to-date equipment; and (ii) train new and experienced workers in identified high-growth, high-demand industries, with the aim of employing and increasing the retention and earnings of trained workers, while meeting the skill needs of businesses within targeted industries.

Community colleges continue to be challenged to provide enough training in high-growth industries and occupations. Throughout FY 2006, the Department worked closely with the Community-Based Job Training grantees and their community and technical college partners to offer industry-designed curricula, ensuring workers acquire the skills they need to compete in high growth industries.

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WORKLOAD SUMMARY

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	FY 2008	
			Current Law	Legislative Proposal
Dislocated Workers Employment and Training Activities				
Participants	278,735	359,800	365,638	0
Cost per Participants	\$4.00	\$4.00	\$4.00	\$0.00
Budget Activity Total	\$1,462,553	\$1,439,201	\$1,114,939	\$0

CHANGES IN 2008

(\$ in thousands)

Activity Changes		
Built-in		
To provide for:		
Grants		
Total Built-in		
Net Program	-\$324,262	
Direct FTE		
	Estimate	FTE
Base	\$1,139,201	
Program Decrease	-\$324,262	
Transfer to CAA	-\$1,114,939	

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

**U.S. Department of Labor
Dislocated Worker Employment and Training Activities
Performance Budget Issue Paper
Dislocated Worker Employment and Training Activities Decrease**

Applicable Performance Goal: Performance Goal 2B – Increase the employment, retention, and earnings of individuals registered under the Workforce Investment Act Dislocated Worker Program.

Requested Resources: No funding is requested for the WIA Dislocated Worker Program for FY 2008. In FY 2008, ETA proposes that funds previously appropriated for the WIA Dislocated Worker Program, together with funds previously appropriated for the WIA Adult and Youth Programs, and the Employment Service, be allocated to states as a single funding stream to be used primarily for Career Advancement Accounts.

Rationale/Strategy and Performance Impact Related to Resource Decrease: Today’s public workforce investment system is comprised of a maze of separate programs – each carrying its own statutory and regulatory requirements and managed through its own bureaucracy. WIA is the latest in a series of job training programs which were created to operate along side of the Employment Service program. These programs date back to the War on Poverty and the Great Society efforts of the 1960s. WIA’s predecessors include the Manpower Development and Training Act, the Comprehensive Employment and Training Act and the Job Training Partnership Act. A common thread running through this progression of legislation is a move towards local control, increased flexibility, less bureaucracy, and greater accountability.

The workforce investment system, as currently constituted, is ill-equipped to meet the training challenges brought on by the need for increased skills and competencies possessed by workers. This is due, in part, to a lack of program integration, which causes too much money to be spent on competing bureaucracies, overhead costs, and unnecessary infrastructure, and not enough on meaningful skills training that leads to job growth and economic prosperity.

For additional information on the Administration’s workforce investment system reforms, including Career Advancement Accounts, see the Budget Narrative and Issue Paper on Career Advancement Accounts.

Base Level Funding:

Base:

Estimate: \$1,439,201,000

FTE: 0

Program Performance at Request Level: No funding is requested for the WIA Dislocated Worker Program for FY 2008.

Program Decrease:

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

Estimate: - \$324,262,000

FTE: 0

Object Class (\$ in thousands):

Object Class		FY 2008 Request
41.0	Grants, subsidies and contributions	-\$1,439,201,000
	TOTAL	-\$1,439,201,000

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

YOUTH ACTIVITIES

Introduction

Under Title I of the Workforce Investment Act, formula funds are provided to state and local areas to deliver a comprehensive array of youth workforce development services. WIA authorizes services to low-income youth (age 14-21) with barriers to employment. Eligible youth are deficient in basic skills or are homeless, are a runaway, are pregnant or parenting, are offenders, school dropouts, or foster children. The program serves both in- and out-of-school youth, including youth with disabilities and other youth who may require specialized assistance to complete an educational program or to secure and hold employment. Service providers prepare youth for employment and post-secondary education by stressing linkages between academic and occupational learning. They also assist youth by providing tutoring, alternative schools, summer employment, occupational training, work experience, supportive services, leadership development, mentoring, counseling, and follow-up services.

In response to the recommendations of the White House Task Force for Disadvantaged Youth, the Department of Labor developed a Shared Strategic Vision for the delivery of youth services and the coordination of the Department's youth programs with those of other Federal agencies. The Department published guidance to the youth workforce system outlining its new strategic vision for the delivery of WIA Youth services. The Shared Strategic Vision focuses on four primary areas: quality alternative education, meeting the demands of business, serving the neediest youth populations, and improving performance.

The Department is also committed to providing leadership to ensure that youth served in alternative education programs receive high quality education and have access to multiple pathways to post-secondary education and careers. In an effort to be strategic and build knowledge about alternative education, the Department is studying alternative learning environments to determine how they are used and how they can be strengthened.

To prepare youth to effectively compete in the global economy, the Department is transforming WIA Youth investments to become demand-driven, helping youth develop skills essential to be successful in careers in high growth, high demand industries. With Department support, state and local workforce investment systems are forming partnerships with businesses, the education community and faith and community-based organizations nationwide.

The Performance Chapter describes the ways in which the WIA Youth program supports the Department's strategic goals. Detailed performance data on the employment outcomes of individuals served by this program are also available there.

The WIA Youth program was assessed in 2003 using the Program Assessment Rating Tool (PART) process and was rated as "Ineffective." The PART found that the program does not have authority to target or reallocate resources to areas of greatest need. It also found that the WIA Youth program is duplicative of other Federal programs that provide education and training services to disadvantaged

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youth, as other programs within the Department of Labor, the Department of Education, and HUD have similar goals and objectives. The Administration's reauthorization proposal would substantially change the program to serve out-of-school youth and those at risk of dropping out of school – a large and underserved population. See the Performance Chapter for details on the Youth Activities program's planned improvements.

Five-Year Budget History

Youth Activities

Fiscal Year	Funding (Dollars in Thousands)
2003	\$994,459
2004	\$995,059
2005	\$986,288
2006	\$940,500
2007	\$942,081

FY 2008

Consistent with the FY 2007 Budget request, ETA proposes that funds previously appropriated for the WIA Youth program, together with funds previously appropriated for the WIA Dislocated Worker and Adult programs and the Employment Service, be allocated to states as a single funding stream. States would use these funds primarily to provide Career Advancement Accounts (CAAs) to individuals, including out-of-school youth. A portion of this funding would also be used by states to provide basic employment services such as career assessments, workforce information, and job placement assistance. See the Budget Narrative on Career Advancement Accounts for additional information.

FY 2007

The Department is focusing on the need to develop more collaborative and integrated systems at the Federal, state, and local levels for transitioning America's neediest youth into adulthood. The Department of Labor has been leading the Shared Youth Vision Federal Partnership which includes the Departments of Education, Health and Human Services, Housing and Urban Development, Justice, Labor, the Social Security Administration, and the Corporation for National and Community Service, as well as two recently added partners: the Departments of Agriculture and Transportation. In 2007, key strategies focus on engaging the states, local areas and other Federal partners to better coordinate how Federal programs serve the neediest youth at the service delivery level, overall technical assistance for all states, and strengthening strategic partnerships between employers, the workforce investment, and education systems. During the next phase of the system transformation efforts that began in 2006, the Department will support sixteen cross-system state and local teams to participate in the Youth Pilot Project. The Youth Pilot Project is supported by all the agencies listed above. The pilot states will coordinate state-level policies and services to support and transform the

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local level's approach to serving its neediest youth by creating collaborative, sustainable, and performance-focused systems that will prepare the most at-risk youth for success in education and in their regional economy. Pilot states will be required to document their experiences and produce a final report on their project. The reports from each of the pilots will be compiled and disseminated to all states. This initiative is designed to provide models to improve how WIA Youth formula funds are coordinated and integrated with other Federal, state, and local resources.

In addition to the specific work with the states selected for the pilots, DOL will provide all states with technical assistance in furthering their collaborative approach to serving youth through a variety of approaches. This technical assistance may include: 1) promoting the Shared Youth Vision within the greater workforce system; 2) developing Shared Youth Vision indicators and an assessment tool to define desired outcomes and determine states' progress; and 3) hosting regional dialogues as an opportunity for states, tribes and local areas to support the full scale implementation of the new Shared Youth Vision, discuss barriers and challenges, identify effective practices to address them, and develop action plans to help move the Shared Youth Vision forward.

The Department recognizes the importance of reconnecting out-of-school youth with high quality, multiple pathways to educational opportunities. The Department will assist states in helping the neediest youth re-connect to high quality alternative learning environments that lead to a diploma and post-secondary training. In 2007, the Department envisions WIA Youth programs serving as catalysts for the implementation of these strategies.

The Department will also focus on strengthening business engagement efforts in order to promote greater alignment around demand-driven solutions, including a key role for business as a driver of workforce education and as a partner along with the education system to develop strategies to ensure that our youth can compete in the global economy and in their regional economies. Engagement with business partners will: 1) move to scale already successful and replicable models and innovative solutions which connect the continuum of education and industry with the workforce system; 2) re-connect out-of-school youth with high quality educational opportunities; and 3) shape solutions responsive to the youth workforce pipeline challenge.

FY 2006

The Shared Youth Vision restructured the public workforce investment system to serve the neediest youth, especially out-of-school youth. With this transformation, the current capacity, knowledge, and models in the workforce system were insufficient and needed strengthening to effectively manage this change and meet new performance expectations, including out-of-school youth literacy and numeracy gains, diploma attainment, and transitioning to post-secondary education. The recommendations of the White House Task Force Report on Disadvantaged Youth pointed to the need to develop highly collaborative and integrated systems at the Federal, state and local levels for transitioning America's neediest youth into adulthood. Because out-of-school youth require multiple supports that no single funding stream can provide in an uncoordinated manner, the Department leveraged funding and innovative program strategies across Federal systems to affect education and workforce outcomes.

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The Department of Labor actively engaged with numerous Federal agency partners, including the Department of Education, in its Shared Youth Vision collaborative in order to improve the Department's ability to serve out-of-school youth. In addition to the Federal partnership established between the Departments of Labor, Education, Health and Human Services, and Justice in 2004, the partnership expanded to include the Department of Housing and Urban Development, the Social Security Administration, and the Corporation for National and Community Service.

The Department of Labor and its Federal partners coordinated a series of jointly hosted "Advanced Level Forums" for states/U.S. territories and Federally Recognized Tribal Governments and Alaska Native teams that moved forward in their collaborative efforts around a shared youth vision. Sixteen teams were selected on a competitive basis to attend the forums. At these forums, teams: 1) received facilitated assistance around higher-level strategic thinking to further advance their efforts; and 2) worked with invited employers and civic leaders to develop "demand-driven workforce solutions" for advancing educational and employment outcomes for the neediest youth.

In 2006, the Department began focusing on alternative education as a strategy for reconnecting out-of-school youth to educational opportunities. The Department commissioned papers on alternative education and held a series of alternative education listening sessions bringing together practitioners, policymakers, researchers, and other youth advocacy groups to focus on how alternative education is used and the models it employs. The Department synthesized the knowledge gained from these papers to disseminate to the workforce system. The Department also worked with the Department of Education to identify and bring to scale systematic alternative education approaches to creating multiple pathways to graduation.

The Department of Education, a primary partner in this effort, included leadership from their Office of Vocational and Adult Education, Office of Elementary and Secondary Education, and Office of Special Education and Rehabilitative Services. In addition, DOL worked specifically with the Department of Education to identify and replicate systematic approaches to creating multiple pathways to graduation for disconnected and out-of-school youth. DOL also worked closely with the Department of Education's Adult Education Office in a joint effort to encourage state and local partnerships between Adult Education (WIA title II) programs and WIA Youth around serving out-of-school youth.

The Department continued to deploy its Performance Enhancement Project (PEP) to assist states and local areas in program improvement designed to better deliver services, including those to out-of-school youth. The 2006 PEP continued to focus on six key areas: 1) becoming more performance-driven by designing and delivering services to achieve outcomes successfully; 2) linking WIA measures to real-time performance indicators; 3) becoming more employer driven in designing programs; 4) moving organizations toward the new youth vision of serving the most at-risk and out-of-school individuals; 5) strengthening performance measurement and integration of services at One-Stop Career Centers; and 6) improving the use of outcome and customer characteristics data as a strategic planning tool.

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For Program Year (PY) 2005 (the most recent year end data), the Department of Labor collected baseline data for two performance indicators, both of which are part of the common measures for youth and lifelong learning aspects of Federal employment and training programs. The first measures whether youth entered employment, advanced training or education after leaving the program – the program achieved 58%. This indicates whether the Department is transitioning youth into the workforce or post-secondary education, which is a key to successful careers. The second indicator, which measures whether participants earned educational credentials, is a proxy for preparedness of participants to compete in the 21st century knowledge-based economy – the result was 36%.

In an effort of continuous improvement, the Department has set targets of 60 percent for placement in employment or education and 40 percent for degree or certificate attainment for the coming year. In addition, the Department will collect baseline data during PY 2006 for literacy/numeracy gains, another common performance measure for youth and lifelong learning programs.

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Five-Year Budget History

Youth Activities

Fiscal Year	Funding (Dollars in Thousands)
2003	\$994,459
2004	\$995,059
2005	\$986,288
2006	\$940,500
2007	\$942,081

FY 2008

Consistent with the FY 2007 Budget request, ETA proposes that funds previously appropriated for the WIA Youth program, together with funds previously appropriated for the WIA Dislocated Worker and Adult programs and the Employment Service, be allocated to states as a single funding stream. States would use these funds primarily to provide Career Advancement Accounts (CAAs) to individuals, including out-of-school youth. A portion of this funding would also be used by states to provide basic employment services such as career assessments, workforce information, and job placement assistance. See the Budget Narrative on Career Advancement Accounts for additional information.

FY 2007

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In addition to the specific work with the states selected for the pilots, DOL will provide all states with technical assistance in furthering their collaborative approach to serving youth through a variety of approaches. This technical assistance may include: 1) promoting the Shared Youth Vision within the greater workforce system; 2) developing Shared Youth Vision indicators and an assessment tool to define desired outcomes and determine states' progress; and 3) hosting regional dialogues as an opportunity for states, tribes and local areas to support the full scale implementation of the new Shared Youth Vision, discuss barriers and challenges, identify effective practices to address them, and develop action plans to help move the Shared Youth Vision forward.

The Department recognizes the importance of reconnecting out-of-school youth with high quality, multiple pathways to educational opportunities. The Department will assist states in helping the neediest youth re-connect to high quality alternative learning environments that lead to a diploma and post-secondary training. In 2007, the Department envisions WIA Youth programs serving as catalysts for the implementation of these strategies.

The Department will also focus on strengthening business engagement efforts in order to promote greater alignment around demand-driven solutions, including a key role for business as a driver of workforce education and as a partner along with the education system to develop strategies to ensure that our youth can compete in the global economy and in their regional economies. Engagement with business partners will: 1) move to scale already successful and replicable models and innovative solutions which connect the continuum of education and industry with the workforce system; 2) re-connect out-of-school youth with high quality educational opportunities; and 3) shape solutions responsive to the youth workforce pipeline challenge.

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FY 2006

The Shared Youth Vision restructured the public workforce investment system to serve the neediest youth, especially out-of-school youth. With this transformation, the current capacity, knowledge, and models in the workforce system were insufficient and needed strengthening to effectively manage this change and meet new performance expectations, including out-of-school youth literacy and numeracy gains, diploma attainment, and transitioning to post-secondary education. The recommendations of the White House Task Force Report on Disadvantaged Youth pointed to the need to develop highly collaborative and integrated systems at the Federal, state and local levels for transitioning America's neediest youth into adulthood. Because out-of-school youth require multiple supports that no single funding stream can provide in an uncoordinated manner, the Department leveraged funding and innovative program strategies across Federal systems to affect education and workforce outcomes. The Department of Labor actively engaged with numerous Federal agency partners, including the Department of Education, in its Shared Youth Vision collaborative in order to improve the Department's ability to serve out-of-school youth. In addition to the Federal partnership established between the Departments of Labor, Education, Health and Human Services, and Justice in 2004, the partnership expanded to include the Department of Housing and Urban Development, the Social Security Administration, and the Corporation for National and Community Service.

The Department of Labor and its Federal partners coordinated a series of jointly hosted "Advanced Level Forums" for states/U.S. territories and Federally Recognized Tribal Governments and Alaska Native teams that moved forward in their collaborative efforts around a shared youth vision. Sixteen teams were selected on a competitive basis to attend the forums. At these forums, teams: 1) received facilitated assistance around higher-level strategic thinking to further advance their efforts; and 2) worked with invited employers and civic leaders to develop "demand-driven workforce solutions" for advancing educational and employment outcomes for the neediest youth.

In 2006, the Department began focusing on alternative education as a strategy for reconnecting out-of-school youth to educational opportunities. The Department commissioned papers on alternative education and held a series of alternative education listening sessions bringing together practitioners, policymakers, researchers, and other youth advocacy groups to focus on how alternative education is used and the models it employs. The Department synthesized the knowledge gained from these papers to disseminate to the workforce system. The Department also worked with the Department of Education to identify and bring to scale systematic alternative education approaches to creating multiple pathways to graduation.

The Department of Education, a primary partner in this effort, included leadership from their Office of Vocational and Adult Education, Office of Elementary and Secondary Education, and Office of Special Education and Rehabilitative Services. In addition, DOL worked specifically with the Department of Education to identify and replicate systematic approaches to creating multiple pathways to graduation for disconnected and out-of-school youth. DOL also worked closely with the Department of Education's Adult Education Office in a joint effort to encourage state and local

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partnerships between Adult Education (WIA title II) programs and WIA Youth around serving out-of-school youth.

The Department continued to deploy its Performance Enhancement Project (PEP) to assist states and local areas in program improvement designed to better deliver services, including those to out-of-school youth. The 2006 PEP continued to focus on six key areas: 1) becoming more performance-driven by designing and delivering services to achieve outcomes successfully; 2) linking WIA measures to real-time performance indicators; 3) becoming more employer driven in designing programs; 4) moving organizations toward the new youth vision of serving the most at-risk and out-of-school individuals; 5) strengthening performance measurement and integration of services at One-Stop Career Centers; and 6) improving the use of outcome and customer characteristics data as a strategic planning tool.

For Program Year (PY) 2005 (the most recent year end data), the Department of Labor collected baseline data for two performance indicators, both of which are part of the common measures for youth and lifelong learning aspects of Federal employment and training programs. The first measures whether youth entered employment, advanced training or education after leaving the program – the program achieved 58%. This indicates whether the Department is transitioning youth into the workforce or post-secondary education, which is a key to successful careers. The second indicator, which measures whether participants earned educational credentials, is a proxy for preparedness of participants to compete in the 21st century knowledge-based economy – the result was 36%.

In an effort of continuous improvement, the Department has set targets of 60 percent for placement in employment or education and 40 percent for degree or certificate attainment for the coming year. In addition, the Department will collect baseline data during PY 2006 for literacy/numeracy gains, another common performance measure for youth and lifelong learning programs.

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

WORKLOAD SUMMARY

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	FY 2008	
			Current Law	Legislative Proposal
Youth Activities				
Participants	361,731	362,339	323,269	0
Cost per Participants	\$2.60	\$2.60	\$2.60	\$0.00
Budget Activity Total	\$940,500	\$942,081	\$840,500	\$0

CHANGES IN 2008

(\$ in thousands)

Activity Changes		
Built-in		
To provide for:		
Grants		
Total Built-in		
Net Program		-\$101,581
Direct FTE		
	Estimate	FTE
Base	\$942,081	
Program Decrease	-\$101,581	
Program Transfer to CAA	-\$840,500	

WIA CONSOLIDATED PROGRAM – FORMULA GRANTS

U.S. Department of Labor Youth Activities Performance Budget Issue Paper Youth Activities Decrease

Applicable Performance Goal: Performance Goal 1C – Increase placements and educational attainment of youth served through the Workforce Investment Act Youth Program.

Requested Resources: No funding is requested for the WIA Youth Program for FY 2008. In FY 2008, ETA proposes that funds previously appropriated for the WIA Youth Program, together with funds previously appropriated for the WIA Adult and Dislocated Worker Programs and the Employment Service, be allocated to states as a single funding stream for Career Advancement Accounts.

Rationale/Strategy and Performance Impact Related to Resource Decrease: Today’s public workforce investment system is comprised of a maze of separate programs – each carrying its own statutory and regulatory requirements and managed through its own bureaucracy. WIA is the latest in a series of job training programs which were created to operate along side of the Employment Service program. These programs date back to the War on Poverty and the Great Society efforts of the 1960s. WIA’s predecessors include the Manpower Development and Training Act, the Comprehensive Employment and Training Act and the Job Training Partnership Act. A common thread running through this progression of legislation is a move towards local control, increased flexibility, less bureaucracy, and greater accountability.

The workforce investment system, as currently constituted, is ill-equipped to meet the training challenges brought on by the need for increased skills and competencies possessed by workers. This is due, in part, to a lack of program integration, which causes too much money to be spent on competing bureaucracies, overhead costs, and unnecessary infrastructure, and not enough on meaningful skills training that leads to job growth and economic prosperity.

The purpose of the Career Advancement Accounts (CAA) initiative is to put Federal job training dollars in the hands of individuals in need of assistance by replacing the current siloed system of separate training programs serving different populations with a single state grant for Career Advancement Accounts. The CAA proposal meets America’s imperative to train more workers in order to remain globally competitive.

For additional information on the Administration’s workforce investment system reforms, including Career Advancement Accounts, see the Budget Narrative and Issue Paper on Career Advancement Accounts.

Base Level Funding:

Base:

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Estimate: \$940,500,000

FTE: 0

Program Performance at Request Level: No funding is requested for the WIA Youth Program for FY 2008.

Program Decrease:

Estimate: -\$101,581,000

FTE: 0

Object Class (\$ in thousands):

Object Class		FY 2008 Request
41.0	Grants, subsidies and contributions	-\$940,500,000
	TOTAL	-\$940,500,000

WIA CONSOLIDATED PROGRAM – COMPETITIVE GRANTS

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	Difference FY 06 Enact FY 07 C.R.	FY 2008		Difference FY 07 C.R. FY 08 Req
				Current Law	Legislative Proposal	
Activity Appropriation	\$68,746	\$189,465	\$120,719	\$189,600	\$189,600	\$135
Ex-Offender Activities	\$68,746	\$65,465	-\$3,281	\$39,600	\$39,600	-\$25,865
Reintegration of Ex-Offenders	\$0	\$0	\$0	\$39,600	\$39,600	\$39,600
Responsible Reintegration of Youthful Offenders	\$49,104	\$45,625	-\$3,479	\$0	\$0	-\$45,625
Prisoner Reentry Initiative	\$19,642	\$19,840	\$198	\$0	\$0	-\$19,840

REINTEGRATION OF EX-OFFENDERS

Introduction

Experts estimate that each year more than 600,000 inmates are released from Federal and State prisons and return to their communities and families. The return of these ex-prisoners threatens the fragile cohesion in many of the most troubled neighborhoods in America. Without help, a majority of ex-prisoners do in fact return to criminal activity. For example, according to the U.S. Department of Justice, almost three out of five returning inmates will be charged with new crimes within three years of their release from prison and two out of five will be re-incarcerated. Released prisoners face a myriad of challenges that contribute to a return to criminal activity, re-arrest, and re-incarceration. Joblessness among ex-prisoners has been broadly linked to recidivism rates. Statistics demonstrate that even before incarceration, adult prisoners demonstrate weak or non-existent ties to the workforce. The costs associated with these trends—both to society and the individuals themselves—are unacceptably high.

The President’s Prisoner Re-entry Initiative (PRI) was designed to strengthen urban communities characterized by large numbers of returning prisoners through an employment-centered program that incorporates mentoring, job training, and other comprehensive transitional services. Since its inception, PRI met with success. The 30 PRI grantees combined have enrolled over 5,000 ex-offenders in just over 10 months of the first program year and placed about 2,500 program participants in unsubsidized employment. The program is on track to meet its first year enrollment goals and has demonstrated an ability to quickly place a high proportion of its participants in jobs.

PRI has operated in parallel with other Department of Labor ex-offender re-entry activities that have been funded through the Responsible Reintegration of Youthful Offenders program. A number of successful efforts have been funded through Responsible Reintegration of Youthful

WIA CONSOLIDATED PROGRAM – COMPETITIVE GRANTS

Offenders that have added significantly to policy makers’ understanding of effective ways of preventing criminal activity among at-risk youth populations and in helping ex-offenders reenter mainstream society. An example of this is the Ready4Work Initiative, a three-year demonstration project which formed the basis of PRI.

For FY 2008, the Administration proposes merging funding for PRI and Responsible Reintegration of Youthful Offenders into a single, consolidated \$39.6 million program that would serve adult and juvenile ex-offenders and strengthen communities by reducing recidivism. The new consolidated Reintegration of Ex-Offenders program would capitalize on the lessons learned under Responsible Reintegration of Youthful Offenders and the PRI. It would use PRI’s robust performance accountability system, which tracks participants’ performance in terms of job placement and retention, wages, recidivism, and a number of other outcomes. Like PRI, the merged program will involve interagency collaboration between the Departments of Labor, Justice, and Housing and Urban Development and harness the experience of faith and community-based organizations. Finally, the consolidated program would adopt specific practices developed through Responsible Reintegration of Youthful Offenders and PRI such as mentoring, coordinating pre- and post-release pre-employment training, and leveraging additional workforce resources through One-Stop Career Centers. All of these practices have shown promise in boosting employment and reducing recidivism among classes of offenders most at-risk.

The Reintegration of Ex-Offenders program would provide a range of mentoring and job training services to ex-offenders. Transitional housing assistance would be funded through the Department of Housing and Urban Development’s component of the program. As has been demonstrated in *Ready4Work* and other projects recently funded by DOL, mentoring and community attachment is associated with much stronger outcomes in both employment and recidivism and is a central component of all re-entry programming. The program will also have a strong employment dimension.

The Performance Chapter describes the ways in which the Reintegration of Ex-Offenders supports the Department’s strategic goals. Detailed performance information on the employment outcomes of persons served by this initiative is also available there.

Five-Year Budget History

Reintegration of Ex-Offenders	
Fiscal Year	Funding (Dollars in Thousands)
2003	\$0
2004	\$0
2005	\$0
2006	\$0
2007	\$0

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FY 2008

At the FY 2008 request of \$39,600,000, the Reintegration of Ex-Offenders initiative would be expected to serve 6,125 participants at a cost-per-participant of \$3,200. Funding would be used primarily to deliver direct services—including training and mentoring

Local providers will also continue to provide workforce services to their local prisons – job finding techniques, resume writing, interviewing skills, etc. Through assessment, workforce development training, educational and other supportive services, WIA providers will remain positioned to deliver critical and much needed services to the returning offender population.

Outcome measures for adult participants will continue to focus on entered employment, employment retention, earnings, and recidivism rates. In addition, grantees will be required to continue monitoring predictors of success, including enrollment rates, participation in education or training, workforce preparation, mentoring, and community and health services, attainment of degrees and certificates, reduced substance abuse, and proportion of enrollees in stable housing.

FY 2007

This is a new program activity for FY 2008.

FY 2006

This is a new program activity for FY 2008

WIA CONSOLIDATED PROGRAM – COMPETITIVE GRANTS

WORKLOAD SUMMARY

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	FY 2008	
			Current Law	Legislative Proposal
Reintegration of Ex-Offenders				
Participants	N/A	N/A	6,138	6,138
Cost per Participants	N/A	N/A	\$3,200	\$3,200
Budget Activity Total	\$0	\$0	\$39,600	\$39,600

CHANGES IN 2008

(\$ in thousands)

Activity Changes		
Built-in		
To provide for:		
Grants		\$0
Total Built-in		\$0
Net Program		
		\$39,600
Direct FTE		
	Estimate	FTE
Base	\$0	
Program Increase	\$39,600	

WIA CONSOLIDATED PROGRAM – COMPETITIVE GRANTS

RESPONSIBLE REINTEGRATION OF YOUTHFUL OFFENDERS

Introduction

The Responsible Reintegration of Youthful Offenders appropriation funds a variety of projects aimed at serving youthful offenders and youth at-risk of becoming involved in the justice system. Youth offenders represent a particularly at-risk target group for Federal youth programs. An estimated 13 percent of youth in juvenile correctional facilities have mental retardation, and another 36 percent have learning disabilities. It is also estimated that 80 percent of youth in juvenile correctional facilities have a diagnosable mental health disorder, and many also suffer from co-occurring substance abuse problems.

Projects currently funded under this appropriation include projects using demand-driven strategies to move youth into high growth occupations; demonstrations to provide employment to youthful offenders and youth at-risk of criminal involvement in selected cities; projects that provide training in construction and other apprenticeship trades and utilize community service for youthful offenders returning to their communities from correctional facilities; state-operated projects aimed at improving the academic and workforce preparation components for youth in correctional facilities; local demonstration projects that involve faith-based organizations in assisting released prisoners returning home; locally-operated projects that serve youth returning home from correctional facilities and first-time offenders assigned to alternative sentences; projects aimed at Hispanic at-risk youth in several cities; and two projects aimed at serving at-risk Native American youth.

Five-Year Budget History

**Responsible Reintegration for Youthful
Offenders**

Fiscal Year	Funding (Dollars in Thousands)
2003	\$54,643
2004	\$49,705
2005	\$49,600
2006	\$49,104
2007	\$45,625

FY 2008

The FY 2008 Budget does not include a funding request for the Responsible Reintegration of Youthful Offenders program. Instead, the Department proposes merging funding for the

WIA CONSOLIDATED PROGRAM – COMPETITIVE GRANTS

Responsible Reintegration of Youthful Offenders and Prisoner Reentry Initiative into a single, consolidated program to serve both youth and adults—Reintegration of Ex-Offenders.

FY 2007

2007 funding is used to continue demonstration and pilot projects that provide training and employment opportunities to youthful offenders and youth at-risk of criminal involvement; a project to test a variety of service delivery mechanisms that may enhance community and faith-based organization's program effectiveness; a continuation of local projects aimed at placing youthful offenders into high growth, high demand industries and occupations; projects that connect youthful offenders to apprenticeship opportunities; efforts to enhance alternative pathways for juvenile offenders in order to increase reading and math levels and rates of High School graduation; and opportunities to replicate and bring to scale effective national programs serving youth offenders.

FY 2006

Responsible Reintegration of Youthful Offenders projects funded in 2006 continued to use a variety of strategies to help youthful offenders and youth at-risk of criminal involvement become productive citizens, successfully employed and reintegrated into their local communities. Grantees continued to expand partnerships between state and local workforce investment systems and the justice system; use faith and community-based organizations to train and mentor former prisoners; use intermediary organizations to connect employers with ex-offenders, particularly in high growth industries; and continued to align these efforts with the workforce investment system. The Department continued to provide ongoing technical assistance and a data collection and reporting system. Support to grantees also included peer to peer and industry specific training that facilitated the sharing of effective service delivery strategies.

In particular, 2006 funding was used to continue projects that provide training and employment opportunities to youthful offenders and youth at-risk of criminal involvement in heavily concentrated minority urban communities.

WIA CONSOLIDATED PROGRAM – COMPETITIVE GRANTS

WORKLOAD SUMMARY

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	FY 2008	
			Current Law	Legislative Proposal
Responsible Reintegration for Youthful Offenders				
Participants	TBD	N/A	N/A	N/A
Cost per Participants	TBD	N/A	N/A	N/A
Budget Activity Total	\$49,104	\$45,625	\$0	\$0

CHANGES IN 2008

(\$ in thousands)

Activity Changes		
Built-in		
To provide for:		
Grants		
Total Built-in		
Net Program	-\$45,625	
Direct FTE		
	Estimate	FTE
Base	\$45,625	
Program Decrease	\$-45,625	

WIA CONSOLIDATED PROGRAM – COMPETITIVE GRANTS

**U.S. Department of Labor
Responsible Reintegration of Youthful Offenders
Performance Budget Issue Paper
Responsible Reintegration of Youthful Offenders Decrease**

Applicable Performance Goal: N/A

Requested Resources: No funding is requested for Responsible Reintegration of Youthful Offenders in FY 2008.

Rationale/Strategy and Performance Impact Related to Resource Decrease: The Administration proposes merging funding for the Responsible Reintegration of Youthful Offenders and Prisoner Reentry Initiative into a single, consolidated program. Such a consolidation would achieve several important goals. The new consolidated Reintegration of Ex-Offenders would capitalize on the lessons learned from both Responsible Reintegration of Youthful Offenders and the Prisoner Reentry Initiative. It would also promote the use of the robust performance accountability system developed by the Prisoner Reentry Initiative and extend the mechanisms developed in that project to new federal efforts to support responsible reintegration of ex-offenders. Finally, the consolidated program would focus intensively on the adoption of specific practices developed through Responsible Reintegration of Youthful Offenders initiatives and the Prisoner Reentry Initiative that have shown great promise in boosting employment and reducing recidivism among classes of offenders most at-risk of recidivism.

The Reintegration of Ex-Offenders program would serve both adult and youthful offenders. The initiative would include programs specifically aimed at the critical foundation that employment and education provide for the reintegration of youthful offenders and would target \$20 million towards this effort.

Base Level Funding:

Base:

Estimate: \$45,625,000 FTE: 0

Program Performance at Request Level: No funding is requested for Responsible Reintegration of Youthful Offenders in FY 2008.

Program Decrease:

Estimate: -\$45,625,000

FTE: 0

Object Class		FY 2008 Request
41.0	Grants, subsidies and contributions	-\$45,625,000
	TOTAL	\$45,625,000

WIA CONSOLIDATED PROGRAM – COMPETITIVE GRANTS

PRISONER REENTRY INITIATIVE

Introduction

In 2004, the Administration launched the Prisoner Reentry Initiative (PRI), a program to assist men and women returning from prison with pre-release, mentoring, housing, case management and employment services. Congress subsequently provided limited funding for this proposal in Fiscal Years 2005 and 2006 to fund the parts of the program housed at the Departments of Labor and Justice. The Department of Labor has funded a total of 30 grantees providing mentoring, case management and employment services and the Department of Justice has assisted a number of local departments of corrections with grants to fund the pre-release portion of the program.

Five-Year Budget History

Prisoner Reentry Initiative	
Fiscal Year	Funding (Dollars in Thousands)
2003	\$0
2004	\$0
2005	\$19,840
2006	\$19,642
2007	\$19,840

FY 2008

The FY 2008 Budget does not include a funding request for the Prisoner Reentry Initiative (PRI). Instead, the Department proposes merging funding for the Responsible Reintegration of Youthful Offenders and Prisoner Reentry Initiative into a single, consolidated program to serve both youth and adults – Reintegration of Ex-Offenders.

FY 2007

In PY 2007, the Department expects to fund current grantees and new grantees under the existing PRI. In FY 2007 at a rate of \$19,840,000, the Department expects to serve 6,138 total participants at a cost-per-participant of \$3,200. During PY 2007, the PRI will continue providing services to new and continuing PRI participants, building on lessons learned during the first two years of program experience. DOL will continue to provide technical assistance and support to grantees, including helping existing grantees share their two years of knowledge and experience with new PRI grantees. Funding during this period will also be used to support both PRI evaluation and technical assistance.

WIA CONSOLIDATED PROGRAM – COMPETITIVE GRANTS

DOL will receive a full year of outcome data from existing PRI grantees, including entered employment, employment retention, average post-program earnings, and recidivism data. In addition, DOL will receive the final evaluation report at the end of PY 2007 that will document all available information pertaining to the program's outputs.

New grants awarded in PY 2007 will make use of the beneficiary choice model and will require grantees as a condition of their award to participate in a formal evaluation in which applicants are randomly assigned to participant and control groups. A beneficiary choice model allows participants to choose among alternative service providers, some of which are faith-based and some of which are not.

FY 2006

In PY 2006, the Department is continuing to fund the current 30 PRI grantees, contingent upon adequate grantee progress based on interim indicators such as enrollment data, participation data, and initial job placement data. The PRI again has a goal of serving 6,138 total participants, or roughly 200 participants per site, during year two of the initiative at a cost-per-participant of \$3,200. During this second year of PRI, Department of Justice prisoner reentry grants to states will be awarded and will begin working with DOL PRI grantees to establish seamless service delivery to prisoners prior to and upon release from prison.

During PY 2006, the PRI continues to use a variety of strategies to help returning prisoners successfully reintegrate into and become productive members of their communities. Grantees continue to expand partnerships between state and local workforce investment systems and the criminal justice system; use faith-based and community-based organizations to train and mentor former prisoners; and use intermediary organizations to connect employers with ex-offenders, particularly in high growth industries. DOL continues to provide ongoing technical assistance and support to grantees including peer to peer training to facilitate the sharing of effective service delivery strategies.

Toward the latter half of year two of the program, DOL will begin to receive outcome data from grantees, including entered employment data, recidivism data, and partial data for employment retention and average post-program earnings data. In PY 2006, DOL received the interim evaluation report that will describe program planning activities and project implementation in the participating communities, with a focus on the development of the three key components of the initiative. It presented available administrative data on key outputs and a brief analysis.

WIA CONSOLIDATED PROGRAM – COMPETITIVE GRANTS

WORKLOAD SUMMARY

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	FY 2008	
			Current Law	Legislative Proposal
Prisoner Reentry Initiative				
Participants	6,138	6,138	N/A	N/A
Cost per Participants	\$3,200	\$3,200	N/A	N/A
Budget Activity Total	\$19,642	\$19,840	\$0	\$0

CHANGES IN 2008

(\$ in thousands)

Activity Changes		
Built-in		
To provide for:		
Grants		\$0
Total Built-in		\$0
Net Program		-\$19,840
Direct FTE		
	Estimate	FTE
Base	\$19,840	
Program Decrease	-\$19,840	

WIA CONSOLIDATED PROGRAM – COMPETITIVE GRANTS

**U.S. Department of Labor
Prisoner Reentry Initiative
Performance Budget Issue Paper
Prisoner Reentry Initiative Decrease**

Applicable Performance Goal: Performance Goal 1F – Assist ex-offenders in successful reintegration into the community and in remaining crime-free citizens through preparation for and placement into the workforce.

Requested Resources: No funding is requested for the Prisoner Reentry Initiative (PRI) in FY 2008.

Rationale/Strategy and Performance Impact Related to Resource Decrease: The Administration proposes merging funding for the PRI and the Responsible Reintegration of Youthful Offenders into a single, consolidated program. Such a consolidation would achieve several important goals. The new consolidated Reintegration of Ex-Offenders would capitalize on the lessons learned from both Responsible Reintegration of Youthful Offenders and the PRI. It would also promote the use of the robust performance accountability system developed by the PRI and extend the mechanisms developed in that project to new federal efforts to support responsible re-integration of ex-offenders. Finally, the consolidated program would focus intensively on the adoption of specific practices developed through Responsible Reintegration of Youthful Offenders initiatives and the PRI that have shown great promise in boosting employment and reducing recidivism among classes of offenders most at-risk of recidivism.

The Reintegration of Ex-Offenders would serve both adult and youthful offenders. The initiative would include programs specifically aimed at the critical foundation that employment and education provide for the reintegration of youthful offenders and would target \$20,000,000 towards this effort.

Base Level Funding:

Base:
Estimate: \$19,840,000 FTE: 0

Program Performance at Request Level: No funding is requested for the PRI in FY 2008.

Program Decrease:
Estimate: -\$19,840,000 FTE: 0

Object Class		FY 2008 Request
41.0	Grants, subsidies and contributions	-\$19,840,000
	TOTAL	\$19,840,000

WIA CONSOLIDATED PROGRAM – COMPETITIVE GRANTS

COMMUNITY-BASED JOB TRAINING GRANTS

Introduction

In his Fiscal Year (FY) 2005 Budget, President Bush proposed Community-Based Job Training Grants to strengthen the role of community colleges in promoting the full potential of the U.S. workforce. This competitive grant program builds on the High Growth Job Training Initiative, a national model for demand-driven workforce development implemented by strategic partnerships between the workforce investment system, employers, and community colleges. The primary purpose of the Community-Based Job Training Grants is to build the capacity of community colleges to train workers for the skills required to succeed in high-growth, high-demand industries.

Technology and innovation, globalization, and the aging of America's workforce are continuously changing the nature of work, as well as needs in the workplace. Businesses in high-growth, high-demand industries face increasing difficulties in finding workers with the right skills.

The President's Community-Based Job Training Grants recognize that many of the job opportunities available in the 21st century economy require post-secondary education and training, and that our community college system will play a key role in developing the skills of American workers. The Community-Based Job Training Grants take advantage of community colleges' accessibility, affordability, and adaptability and position them to support talent development strategies that optimize innovation and successful regional economic transformation.

These grants are competitive and are designed to strengthen the capacity of community and technical colleges to train workers in the competencies and skills required by employers in their local economies. To date, two rounds of Community-Based Job Training Grants have been awarded to support or engage in a combination of capacity building and training activities for the purpose of building the capacity of community colleges to train for careers in high-growth, high-demand industries for regional economies. The products, models, and effective approaches that result from the Community-Based Job Training Grants will continue to be broadly disseminated to education and training providers, employers, and the workforce investment system to build their capacity to respond to employer demands.

The Performance Chapter describes the ways in which the Community-Based Job Training Grants support the Department's strategic goals. Detailed performance information on the employment outcomes of individuals served by these grants is also available there.

WIA CONSOLIDATED PROGRAM – COMPETITIVE GRANTS

Five-Year Budget History**Community-Based Job Training Initiative**

Fiscal Year	Funding (Dollars in Thousands)
2003	\$0
2004	\$0
2005	\$124,000
2006	\$0*
2007	\$124,000*

*Congress provided \$125,000,000 from the Dislocated Workers Employment and Training Activities National Reserve.

FY 2008

Community-Based Job Training Grants are designed to help community and technical colleges increase their ability to meet regional industry demand for training, ensuring a competitive regional workforce. Funds will be awarded to support or engage in a combination of capacity building and training activities to ensure workers have the skills needed to succeed in high-growth, high-demand industries in regional economies.

Based on evaluation of current grant outcomes and continuous analysis of workforce challenges facing high-growth, high-demand industries, DOL will continue to focus its future investments through Community-Based Job Training Grants in:

- Skill and competency needs of high-growth, high-demand industries as defined in the context of the regional economy.
- Flexible education strategies that promote multiple pathways for workers to gain skills incrementally, including supporting efforts of community colleges and their education partners to become modular in their delivery, offering multiple entry and exit points for workers in need of continuous training.
- Strategies to further integrate community college workforce education and talent development activities with regional economic development, with an increased emphasis on coordination of these grants with State, Local and community workforce development strategies.
- New and innovative education and learning models that support workers in receiving the training they need on-demand and in the workplace, promoting life-long learning, and personal accountability and responsibility for skill development. Examples of these

WIA CONSOLIDATED PROGRAM – COMPETITIVE GRANTS

models include on-the-job, distance learning, and simulation applications that enhance clinical experiences in industries such as health care, biotechnology, energy, and advanced manufacturing.

- Joint applications from community colleges and their partners in the continuum of education, including K-12 and four-year educational institutions. Specific focus will be placed on joint applications offering new strategies for pathways to advanced education and training, including degrees, in science, technology, engineering and mathematics (STEM) related occupations in high-growth, high-demand occupations such as engineering.

In FY 2008, the Department will continue to award Community-Based Job Training Grants. Based on data from previous years, the full funding level of \$150,000,000 will allow DOL to make approximately 75-85 investments between \$500,000 and \$2,000,000 each and train approximately 61,000 people.

FY 2007

Prior to FY 2008, a portion of Community-Based Job Training was sourced out of the Dislocated Worker program, as well as this stand-alone program.

In FY 2007, the Department will award the third round of Community-Based Job Training Grants and continue to administer the grants awarded in FY 2005 and FY 2006. These grants are continuing to build the capacity of community colleges to train workers to develop the skills required to succeed in local or regional economies in (i) industries and occupations that are expected to experience high growth and (ii) industries where demand for qualified workers is outstripping the supply.

The products, models, and effective approaches that result from the Community-Based Job Training Grants will be broadly disseminated to employers, education and training providers, and the workforce system to build their capacity to respond to employer demands.

FY 2006

No funds were appropriated in the stand-alone Community-Based Job Training Grant line for FY 2006. However, see the Dislocated Worker section (page TES – 36) for grants awarded using funds appropriated in that program.

WIA CONSOLIDATED PROGRAM – COMPETITIVE GRANTS

WORKLOAD SUMMARY

(Dollars in Thousands)

	FY 2006* Enacted	FY 2007 C.R.	FY 2008	
			Current Law	Legislative Proposal
Community-Based Job Training Grants				
Participants	N/A	49,600	60,000	60,000
Cost per Participants	N/A	\$2,500	\$2,500	\$2,500
Budget Activity Total	\$0	\$124,000	\$150,000	\$150,000

*No funds were appropriated in this stand-alone program.

CHANGES IN 2008

(\$ in thousands)

Activity Changes		
Built-in		
To provide for:		
Grants		\$0
Total Built-in		\$0
Net Program		\$26,000
Direct FTE		
	Estimate	FTE
Base	\$124,000	
Program Increase	\$26,000	

WIA CONSOLIDATED PROGRAM – COMPETITIVE GRANTS

**U.S. Department of Labor
Community-Based Job Training Grants
Performance Budget Issue Paper
Community-Based Job Training Grants Increase**

Applicable Performance Goal: Performance Goal 2D – Increase the employment, retention, and earnings of individuals served through Community-Based Job Training Grants.

Requested Resources: \$150,000,000 is requested for Community-Based Job Training in FY 2008.

Rationale/Strategy and Performance Impact Related to Resource Increase: In FY 2005, the Department implemented Community-Based Job Training Grants to strengthen the role of community and technical colleges in promoting the U.S. workforce's full potential. FY 2008 would be the fourth year of operation for these grants.

Businesses in high-growth industries face increased difficulty in finding workers with the skills they need as a result of globalization, the aging of America's workforce, and the fact that technology and innovation are continuously changing the nature of work. America's economic growth will be negatively impacted if we do not maintain a skilled and productive workforce. The Community-Based Job Training Grants initiative recognizes that many of the job opportunities available in the 21st century economy require post-secondary education and training, and that our community college system will play a key role in developing the skills of American workers. According to the Bureau of Labor Statistics, 90 percent of the fastest growing occupations in the United States require some level of post-secondary education or training. Another challenge identified by many regions and growing industries is the limited capacity of community colleges to train workers with the skills industries need, limiting their ability to compete. In addition, many high-growth industries are projecting that high-skill, high-wage jobs will go unfilled due to a lack of qualified candidates.

The accessibility and affordability of community college training, combined with the adaptability of community college curricula to changing skill needs, make community colleges a vital training resource for many U.S. workers. Furthermore, community colleges are closely connected to regional labor markets, making them well-positioned to prepare workers for good jobs with good wages, increasing the competitiveness of a region. The Community-Based Job Training Grants take advantage of these unique characteristics and position community colleges to support talent development strategies that optimize innovation and successful regional economic transformation, strengthening our nation's competitiveness.

Community-Based Job Training Grants are designed to enhance the capacity of community colleges to provide training in high-growth, high-demand industries and to increase the number of individuals being trained in community colleges for occupations in demand in those

WIA CONSOLIDATED PROGRAM – COMPETITIVE GRANTS

industries. The Community-Based Job Training Grants will primarily be utilized to train workers for occupations in industries with demonstrated labor shortages in regional economies. Through the Community-Based Job Training initiative, community and technical colleges will be a more important and engaged partner in offering industry-designed curricula so that students and job-seekers can be confident of learning the skills needed to get a job in their desired occupation.

In 2008, ETA will look to invest in the following strategies:

- Replication of industry-designed and supported training models, eliminating redundancy in investments and fostering collaboration across the network of community colleges.
- Flexible education strategies that promote multiple pathways for workers to gain skills incrementally, including supporting efforts of community colleges and their education partners to become modular in their delivery, offering multiple entry and exit points for worker in need of continuous training.
- New and innovative education and learning models that support workers in receiving the training they need on-demand and in the workplace, promoting life long learning and personal accountability and responsibility for skill development.
- Joint applications from community colleges and their partners in the continuum of education, including K-12 and four-year educational institutions.
- Strategies to further integrate community college workforce education and talent development activities with regional economic development, with an increased emphasis on coordination of these grants with State, Local and community workforce development strategies.

Base Level Funding:

Base:
 Estimate: \$124,000,000 FTE: 0

Program Performance at Request Level: ETA will continue to pursue activities that strengthen the capacity of community colleges and increase the number of workers trained in high-growth, high-demand occupations.

Program Increase:
 Estimate: \$26,000,000 FTE: 0

Object Class (\$ in thousands):

Object Class		FY 2008 Request
41.0	Grants, subsidies and contributions	\$150,000,000
	TOTAL	\$150,000,000

WIA NATIONAL ACTIVITIES

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	Difference FY 06 Enact FY 07 C.R.	FY 2008		Difference FY 07 C.R. FY 08 Req
				Current Law	Legislative Proposal	
Activity Appropriation	\$39,537	\$97,942	\$58,405	\$20,000	\$20,000	-\$77,942
Pilots, Demonstrations and Research	\$29,700	\$88,263	\$58,563	\$13,000	\$13,000	-\$75,263
Evaluation	\$7,857	\$6,036	-\$1,821	\$7,000	\$7,000	\$964
Technical Assistance	\$1,980	\$3,643	\$1,663	\$0	\$0	-\$3,643

Introduction

Title I of the Workforce Investment Act (WIA) authorizes ETA to conduct pilots, demonstrations, research and evaluations. Because there are separate accounts for (1) pilots, demonstrations, and research, and (2) evaluations, each is presented separately in this section.

The Performance Chapter describes the ways in which the WIA national activities support the Department's strategic goals. The Performance Chapter also provides detailed performance data on the employment outcomes achieved by the national activities.

Five-Year Budget History

Pilots, Demonstration and Research

Fiscal Year	Funding (Dollars in Thousands)
2003	\$75,855
2004	\$58,547 *
2005	\$85,167
2006	\$29,700
2007	\$88,263

*Includes Defense 2005 Appropriation Earmark of \$795,000.

WIA NATIONAL ACTIVITIES

Five-Year Budget History

Evaluation

Fiscal Year	Funding (Dollars in Thousands)
2003	\$9,234
2004	\$8,986
2005	\$7,936
2006	\$7,857
2007	\$6,036

Technical Assistance

Fiscal Year	Funding (Dollars in Thousands)
2003	\$2,626
2004	\$2,982
2005	\$2,958
2006	\$1,980
2007	\$3,643

PILOTS, DEMONSTRATIONS AND RESEARCH

Introduction

Under Section 171 of title I of WIA, ETA conducts pilot, demonstration, and research activities which support key areas of program and policy emphasis, inform workforce investment policies and investment decisions, and support continuous improvement of the workforce investment system. To be most effective, research needs to be looking ahead and examining the impact of the global economy on the labor force and workforce programs. ETA will emphasize projects that increase the understanding of the interaction between the labor market and the innovation economy. This includes methodologically rigorous projects that examine critical issues impacting the future of the nation's labor market.

In late 2005 ETA conducted a research dialogue with leading economists that resulted in recommendations for three priority areas for pilot, demonstration and research projects that could be conducted in the next five years. Among those recommendations was further knowledge of how the integration of regional economic development and workforce development policies can contribute to the productivity and competitiveness of the U.S. workforce. These recommendations shaped ETA's pilot, demonstration, and research activities for FY 2006 – 2008.

WIA NATIONAL ACTIVITIES

FY 2008

The three strategic priority areas for pilot, demonstration and research activities in FY 2008 are:

1) *Integration of Regional Economic Development and Workforce Development Policies.* Pilot, demonstration and research projects may include those that examine the integration of regional economic development and workforce development policies; regional differences in economic performance; the effects of immigration on the economy and the labor force; and determining the drivers of “innovation hot spots.”

2) *Skill and Talent Expansion of the U.S. Workforce Including Increased Access to Post-Secondary Education.* Pilot, demonstration, and research projects may include those that measure the effectiveness of credentialing; research on occupational projections; research on career ladders; and examining limitations on the capacity to train in certain occupational areas.

3) *New Methods for Educating the U.S. Workforce.* Pilot, demonstration, and research projects may include those that examine the application of technology-based learning methodologies to increase enrollment in and access to training for workers. Possible research areas include examining how people learn and what they learn; accessing innovative delivery of career and technical education; determining how to provide training quickly; and how to train diverse populations.

The overall goal of ETA pilot, demonstration and research activities is to: (1) “seed” promising practices for national policy application; and (2) incubate pilot projects that can be launched on a larger scale; ETA plans rigorous evaluation of new and existing programs and policies to understand the efficacy of the entire delivery intervention.

FY 2007

In FY 2007, ETA is undertaking a number of new pilot, demonstration and research projects, as well as disseminating knowledge and results from completed projects. The projects are focusing on the factors that are driving change in the economy and how the labor market needs to adapt in response to those changes.

ETA is continuing its role as information clearinghouse to inform all partners in the workforce investment system of projects that have been completed to further the knowledge of and insight into issues that face the workforce investment system. ETA is drawing on lessons learned from current demonstrations to produce technical assistance guides and to promote best practices through conferences and material dissemination strategies. ETA-sponsored study findings are widely disseminated via the ETA Occasional Paper Series as well as on the agency’s website and at public forums such as the Research Showcase at the annual Workforce Innovations Conference.

WIA NATIONAL ACTIVITIES

Additional strategic priority areas that ETA is exploring further as indicated in the Five Year Research Plan include: Regional Economies, Adult Literacy, Alternative Education, Technology-Based Learning, and Tapping Underutilized and Unskilled Labor Pools.

In FY 2007, ETA will continue to focus on existing and emerging target populations (such as older workers, individuals with disabilities, limited English speakers, migrant and seasonal farmworkers, Hispanic workers, women, ex-offenders reentering the community, and workers seeking to start their own businesses) and innovative ways to engage communities in both economic and workforce development. As an example, through the analysis of the New Americans Centers demonstration, ETA is examining whether community-based centers lead to easier assimilation and subsequent faster earnings growth by immigrant workers.

ETA maintains oversight and continues to support ongoing multi-year studies such as the Unemployment Insurance Benefit Study, and projects that focus on new service interventions and strategies that facilitate quality employment and labor market success including Personal Reemployment Accounts.

In FY 2007 ETA is planning to complete the short term impact analysis of the following projects: the SUTA Dumping project, Project GATE, the High School Career Academies Demonstration, and the MSFW Cross-Training Demonstration Project.

FY 2006

ETA's research efforts in FY 2006 focused on existing and emerging segments of the population, including migrant and seasonal farmworkers, Hispanic workers, women, older workers, ex-offenders reentering the community, and workers seeking to start their own businesses. Many of these activities used partnerships among Federal departments, state and local agencies, and research institutions which helped leverage resources to increase the cost effectiveness of projects by making administrative data available for research and evaluations of programs.

In FY 2006, ETA completed the Individual Training Account (ITA) Experiment and released a final report. Findings from this random assignment study informed implementation of the Career Advancement Account demonstration. ETA continued to test Personal Reemployment Accounts and to measure their effectiveness in returning unemployed workers to employment, including the impact of offering an early employment cash bonus to participants. ETA also launched an assessment of the Lifelong Learning Accounts (LiLa's). The assessment examines this innovative approach to lifelong learning for American workers. ETA concluded a demonstration effort to rapidly reemploy individuals collecting UI benefits. ETA also completed the following projects: Microanalysis of the One-Stop Center Project, an analysis of "Military" National Emergency Grants (NEGs), and the analysis of the Strengthening the Connection between UI Remote Services and One-Stop Services Demonstration Project. In addition, ETA completed the Project GATE Interim Report and the 2006 National Agricultural Workers Survey Final Report.

WIA NATIONAL ACTIVITIES

ETA continued its role as information clearinghouse to inform all partners in the workforce investment system of projects that have been completed to further the knowledge of and insight into issues that face the workforce investment system. All ETA-sponsored study findings are widely disseminated via the ETA Occasional Paper Series as well as on the agency's website and at public forums such as the Research Showcase at the annual Workforce Innovations Conference.

EVALUATIONS

Introduction

Under Section 172 of WIA, ETA carries out the rigorous evaluation of programs and activities authorized by title I of WIA. ETA program evaluations contribute to the improvement of service delivery interventions of state and local WIA programs, and ultimately contribute to improved outcomes. ETA Evaluations are coordinated with evaluations of WIA carried out by the states. Results from evaluation studies support continuous improvement of and inform policy and investment decisions. The evaluation studies also directly respond to the Program Assessment Rating Tool (PART) review processes. For example, the PART reviews of the WIA Adult and Dislocated Worker programs found that formal evaluations of these programs to be lacking. As a result, the Department has agreed to add an item to the PART improvement plan stating that DOL will "conduct an evaluation to determine WIA services' impact on employment, retention, and earnings outcomes for participants."

FY 2008

In FY 2008, ETA will continue the rigorous evaluation of the Trade Adjustment Assistance (TAA) program, and undertake a rigorous evaluation of the Senior Community Service Employment Program.

In FY 2008, ETA plans to complete evaluations of the: (1) Opening Doors to Earning Credentials project; (2) analysis of the Demand-side Youth Offender project; and (3) Employment Retention and Advancement (ERA) Study. Findings will be published and disseminated via the ETA Occasional Paper Series, at public forums, and during the Research Showcase at the annual Workforce Innovations Conference.

In FY 2008, ETA will continue oversight of on-going multi-year studies such as the High Growth Job Training Initiative (HGJTI), the Community-Based Job Training Grants (CBJTG), and the Workforce Innovation in Regional Economic Development (WIRED) Initiative.

ETA will also continue work on the WIA impact analysis that will begin in FY 2007.

FY 2007

In FY 2007, ETA continues to evaluate the TAA program and the Prisoner Re-entry Initiative (PRI). ETA is building on the PRI evaluation by initiating a random assignment impact evaluation which is formally testing the effectiveness of faith-based organizations in serving ex-

WIA NATIONAL ACTIVITIES

offenders re-entering their communities. Evaluations of the impact and cost-effectiveness of self-directed services provided by One-Stop Career Centers under WIA and those provided by registered apprenticeship activities will conclude in FY 2007.

ETA also continues to analyze the Career Advancement Accounts (CAA) demonstration, the HGJTI, the CBJTG Initiative, and the WIRED Initiative.

As per the PART process recommendation, ETA will begin conducting an evaluation to determine WIA services' impact on employment, retention, and earnings outcomes for participants. The evaluation will utilize existing administrative data.

FY 2006

In FY 2006, ETA continued evaluating the TAA program and the PRI with a focus on the effectiveness of aftercare and alternative sentencing for youthful offenders. ETA completed evaluations of the Youth Opportunity Initiative, the Quantum Opportunities Program, and the Senior Community Service Employment Program. An evaluation of the WIA performance measurement system was also completed in FY 2006.

Other efforts initiated in FY 2006 were designed to identify promising state and local practices that forge partnerships between the workforce investment system, education and economic development. Work began on the separate implementation and impact evaluations of the HGJTI, the CBJTG, and the WIRED Initiative. Highlights included exploring innovative technology-based learning strategies, regional economic and workforce development strategies for skill and talent expansion of the U.S. workforce, challenges and solutions for underutilized segments of the population, and integration of immigrants into society and the labor force.

WIA NATIONAL ACTIVITIES

WORKLOAD SUMMARY

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	FY 2008	
			Current Law	Legislative Proposal
WIA National Activities				
*Pilot & Demonstration Project Reports	32/37	32/37	19/22	20/23
Research Projects and Reports	37/37	37/37	22/22	23/23
Evaluation Projects and Reports	16/15	16/17	9/10	10/11
Budget Activity Total	\$39,537	\$97,942	\$20,000	\$20,000

* The first number in each cell refers to the number of projects underway and second number reflects the number of reports (draft, interim, final) to be prepared.

CHANGES IN 2008

(\$ in thousands)

Activity Changes		
Built-in		
To provide for:		
Grants		
Total Built-in		
Net Program		-77,942
Direct FTE		
	Estimate	FTE
Base	\$97,942	
Program Increase - Evaluation	\$964	
Program Decrease - Pilots, Demonstrations and	-\$75,263	
Program Decrease - Technical Assistance	-\$3,643	

WIA NATIONAL ACTIVITIES

**U.S. Department of Labor
WIA National Activities
Performance Budget Issue Paper
WIA National Activities Decrease**

Applicable Performance Goal: Performance Goal 2M – To support the more efficient and effective functioning of the U.S. labor market, the workforce investment system, including workforce development and security programs, through the use of findings from ongoing research, pilots, demonstrations, and evaluations. These activities inform agency/administration investment and policy decisions and improve program operations.

Requested Resources: \$20,000,000 is requested in FY 2008 for WIA National Activities which represents a total decrease of \$77,942,000 from FY 2007. The decrease for each account is as follows: Pilots, Demonstrations and Research – -\$75,263,000; Evaluation – \$964,000; Technical Assistance – -\$3,643,000.

Rationale/Strategy and Performance Impact Related to Resource Decrease: In prior years, a portion of the WIA National Activities funding has been used to launch and support the High Growth Job Training Initiative (HGJTI). The HGJTI is a strategic effort to prepare workers for new and increasing job opportunities in the high-growth, high-demand industries of the American economy. The resources were used to develop national models and demonstrations of workforce solutions in 14 targeted industries. The HGJTI has been recognized as successful, and will be supported through funds generated by fees collected from employers submitting applications for H-1B foreign labor visas, as authorized in the Omnibus Budget of 2005. Building on the early experiences with national models and demonstrations, the H-1B visa fees have allowed ETA to continue to award grants to private and public sector partnerships to increase the availability of individuals with the skills needed in high-growth, high-demand industries.

The Congressional direction to use the foreign labor application fees for the HGJTI relieves the need to use WIA National Activities funds for the HGJTI. Therefore, a decrease in funding for WIA National Activities is requested at this time. The WIA National Activities funding request in FY 2008 will provide sufficient resources to conduct pilots, demonstrations and research projects, and evaluations that inform policy and investment decisions and support continuous improvement of the workforce investment system.

Base Level Funding:

Base:

Estimate: \$97,942,000*

FTE:

*Pilots, Demonstrations and Research \$88,263,000; Evaluation \$6,036,000; Technical Assistance \$3,643,000.

WIA NATIONAL ACTIVITIES

Program Performance at Request Level: The funding level is sufficient to conduct research, pilots, demonstrations, and evaluations that inform policy and investment decisions and support continuous improvement of the workforce investment system.

Program Decrease:

Estimate: -\$77,942,000* FTE:

* The decrease for each account is as follows: Pilots, Demonstrations and Research – - \$75,263,000; Evaluation – \$964,000; Technical Assistance – -\$3,643,000.

Object Class (\$ in thousands):

Object Class		FY 2008 Request
41.0	Grants, subsidies and contributions	\$20,000
	TOTAL	\$20,000

JOB CORPS

(Dollars in Thousands)

	FY 2006* Enacted	FY 2007 C.R.	Difference FY 06 Enact FY 07 C.R.	FY 2008		Difference FY 07 C.R. FY 08 Req
				Current Law	Legislative Proposal	
Activity Appropriation	\$1,573,270	\$1,582,079	\$8,809	\$1,522,372	\$1,522,372	-\$59,707
Operations	\$1,450,350	\$1,458,953	\$8,603	\$1,422,372	\$1,422,372	-\$36,581
Construction and Renovation	\$122,920	\$123,126	\$206	\$100,000	\$100,000	-\$23,126

* Includes \$16,000,000 Katrina Supplemental

Introduction

The purpose of the Job Corps program is to assist eligible at-risk youth who need and can benefit from intensive education and training services become more employable, responsible, and productive citizens. The program operates in a group setting at 122 centers, both residential and non-residential, in 48 states, the District of Columbia and the Commonwealth of Puerto Rico. In FY 2008, the Department is scheduled to open the 123rd center in Pinellas County, Florida. The authorizing statute is the Workforce Investment Act of 1998 (P.L. 105-220, Title 1, Subtitle C, Section 141).

The program serves economically disadvantaged youth, aged 16-24, who must also be one or more of the following: basic skills deficient; a school dropout; homeless, a runaway, or a foster child; a parent; or an individual who requires additional education, vocational training, or intensive counseling and related assistance in order to participate successfully in regular schoolwork or to secure and hold employment. Job Corps serves more than 60,000 at-risk youth per year through a comprehensive program including career-oriented training, contextual learning combining academic and career training, work-based learning and hands-on vocational skills training (VST) opportunities and integrated learning experiences. Using a career management approach, students gain important new skills to increase their employability including job search skills, basic information technology, personal development and personal management skills. To assist in sustainable job placement, students are provided an array of transitional support services such as assistance with securing housing, transportation, and child care, as well as access to on-going mentoring support. The training and services provided to Job Corps students are presented in the safe, secure and supportive environment of 24/7 residential centers which allow students to learn in an atmosphere often very different than their home environment.

The most recent report from the Mathematical longitudinal study continues to present some positive findings regarding Job Corps' impact on longer-term earnings. The report however did

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raise concern that this impact is essentially negated after an average of five years. To address this concern, Job Corps has: (1) modified the Outcome Measurement System (OMS) and contracting systems to emphasize long-term results; and (2) commissioned studies to examine how services to Hispanics and 18 and 19 year olds could be improved. Additionally, the Department is considering whether other program improvements should be instituted to support the sustainability of greater earnings for Job Corps graduates in later years.

Five-Year Budget History

Job Corps	
Fiscal Year	Funding (Dollars in Thousands)
2003	\$1,508,679
2004	\$1,537,075
2005	\$1,546,333
2006	\$1,573,270*
2007	\$1,582,079

* Includes \$16,000,000 Katrina Supplemental

FY 2008

The President's FY 2008 Budget proposes that ETA again be made responsible for administering Job Corps. This will promote integration of Job Corps into the overall workforce investment system, locate it in the agency that has principal expertise on workforce development issues and administers other job training and employment programs, and achieve efficiencies in overhead and administrative costs that can be directed to training additional Job Corps participants.

When Job Corps was founded in 1964, the U.S. economy was still grounded in a mass production system designed to drive down unit costs of long runs of standardized products. The fundamental framework of Job Corps – remedial academic instruction, followed by vocational training in a specific occupation – was designed for that era and economy. The emphasis was on narrowly defined jobs that could be filled by interchangeable, relatively low-skilled workers. Job Corps graduates could complete a short-term vocational training program and generally be assured of an entry-level position with possibilities for upward mobility.

While many programmatic changes were made over the past four decades, external forces have created an economic environment characterized by change, variety, higher standards, and uncertainty. As a result, successful participation in the workforce now requires workers to have additional skill sets that had typically been associated with post-secondary education levels. The Job Corps program continues to adapt by introducing new training strategies – integrating academic and vocational/ technical instruction; enhancing individual tutoring and mentoring; and introducing career success standards – to increase the graduation rate and better align skill sets

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with employers' needs. Through the use of new teaching and learning strategies, emerging technologies, improvements in outreach/admissions, stronger partnerships, and program-wide involvement with business, industry, education, and community leaders, Job Corps students are better prepared for long-term employment in the 21st century and for lifelong learning.

Therefore, Job Corps continues to further DOL's efforts to create a prepared workforce by providing services that are tailored to address individuals' needs and ultimately equip them to become qualified candidates in the world of work. Job Corps provides a substantial number of young people with the knowledge, skills and credentials needed to compete in the rapidly evolving labor market. This creates a demand-driven system, in which employers' needs for skilled workers are met while Job Corps participants obtain gainful employment on a career path and further education.

During FY 2008, Job Corps will continue to incorporate the best thinking, research and practices of business, education, labor and other partners with the goal of increasing the graduation rate and becoming the nation's premier career-focused, alternative education system for at-risk youth. The approach for FY 2008 will be to base center offerings on high growth/high demand industries within a local and/or regional economy and provide a rigorous and relevant integrated instructional program founded on the standards and competencies identified in industry competency models. The standards and competencies are organized around: Personal Effectiveness, Academic Standards, Workplace Competencies, Industry-specific training and Occupation-specific training.

In order to help ensure that Job Corps students attain skill levels necessary to demonstrate such academic and technical competencies, in FY 2008 Job Corps will begin instituting after-hours and weekend instruction; a national mentoring and tutoring network; and teacher salary increases to provide a greater degree of competitiveness for highly qualified teachers. The increases necessary to maintain a high caliber learning and training environment, and to open new centers in areas of high economic growth with a need for skilled entry level workers (such as Pinellas County, FL), will be funded through a targeted slot reduction.

As we move in the new direction for more intensive, rigorous learning, we believe that resources should be invested where they will best enhance results. If resources need to be realigned, we will give priority to maintaining a quality training program by reducing the size of some of the larger centers, where recruitment and retention of students is sometimes difficult. In addition, if it is necessary to reduce large numbers of training slots, it would be most cost effective to close entire centers, and the priority will be to close centers that have demonstrated difficulty in recruiting and retaining participants.

FY 2007

During FY 2007, Job Corps will incorporate the best thinking, research, and practices of business, education, labor and other partners in continuing its development of a new approach to

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training. The fundamental concept is to base center offerings on high-growth, high-demand industries within a local and/or regional economy, and provide a rigorous and relevant integrated instructional program founded on the standards and competencies identified in industry competency models. The standards and competencies are organized around: personal effectiveness, academic standards, workplace competencies, industry-specific training and occupation-specific training. Job Corps students will complete Career Technical Education training with industry-based certifications recognized by employers. An integrated learning system is a change from Job Corps' current approach which provides separate academic and career training using more traditional teaching methods, and focuses on specific occupational skills (rather than industry competencies) that may not result in industry-based certification.

A comprehensive professional development program will be launched to assist Federal and center staff with the transition to program delivery based on the industry competency models. Pilots will be developed to test the new models as well as integrated instruction and an approach that targets two or three industry offerings at a center instead of 8 to 10 trades. Training will target management, counselors, instructional staff, and all others directly impacted by the transition. Best practices and lessons learned from pilot projects will be shared across the system, and partnerships and articulation agreements with area community colleges and universities will be in place.

Job Corps will remain committed to providing training and services to the neediest youth who can benefit most by the integrated academic and career skills training. Considering the requirements of No Child Left Behind, Job Corps eligibility requirements will be carefully reviewed to ensure critical populations are served and utilization of available funding streams is maximized. New approaches will be tested for addressing the training needs of younger youth (16 year olds), and improvements will be implemented to serve Hispanic/Latino youth. Job Corps will continue to enhance its training for students with special needs by working to improve the early identification of students with disabilities, and working to ensure their training needs are reviewed and accommodations are provided. Job Corps will implement new English as a Second Language (ESL) and Vocational ESL (VESL) courses and revise standards in multi-cultural diversity training. Centers will continue to provide diversity programs and cross-cultural events for all students and will partner with national non-profit, faith-founded organizations and national volunteer programs to reach and connect with students in their communities.

Job Corps will work with both large employers and small businesses to analyze the program's strengths in current industry cluster areas based on numerous criteria, such as existing and potential partnerships with business, labor market demand, and placement and retention rates. A critical part of that process will include identification of available industry-based certifications appropriate for adoption by each program. As part of this effort, Job Corps will work with ETA's National Office of Apprenticeship to identify those clusters of occupational programs that would be most appropriate to combine into defined career pathways.

Additional areas of emphasis for the program include:

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- Continuing to work with national curriculum experts and the U.S. Department of Education to identify practices and models that are likely to improve educational achievement.
- Building on the current relationships between local community colleges and Job Corps centers in over 150 agreements to offer advanced “dual enrollment” programs, increasing opportunities for many disadvantaged youth pursuing careers.
- Beginning the process of imbedding Career Success Skills, such as time management, decision making, team building, and problem solving throughout the curriculum in all programs.
- Leveraging support from other governmental and training partners including the U.S. Department of Education, the workforce investment system, and ETA’s Business Relations Group.

The strategies outlined above will drive decisions regarding capital investment in real property for Job Corps. Investment in new or renovated facilities will be based upon a business case to support instructional programs which target high-growth economies, and which show an acceptable cost-benefit ratio and level of risk. Increased utilization of non-residential training slots will be included in the analysis. In addition, investment will be targeted towards achieving goals outlined in the Departmental Asset Management Plan: increased facility utilization, improved facility condition for assets which are highly utilized and mission critical or dependent, and reduced operating costs. Job Corps will continue to improve program efficiency by implementing recommendations of the Cost Efficiency Workgroup and analyzing the independent cost review being conducted in PY 2005. Creative utilization of off-center facilities, including private sector workplaces, community colleges, and apprenticeship training centers, will be explored to leverage resources and enhance real-life learning experiences.

FY 2006

In FY 2006, the number of student training slots will remain the same as FY 2005. The cost per student slot will, however, increase approximately 2.7% over the FY 2005 level in order to maintain the same level of service for those slots, due to increased costs for energy, health care and staff salaries. The reduction in CRA funding from the FY 2005 level will be achieved through prioritization of capital projects, with funding focused on the most critical projects. Capital projects will be assessed and funded based on their net benefits, level of importance, and linkage to program performance goals.

During FY 2006, Job Corps continues to expand the development and implementation of training programs in high-growth industries, and is in the process of aligning its programs with industry standards and nationally recognized certifications. In addition, the program will build the capacity and certification of vocational instructors by working with industry partners and utilizing on-line learning. During FY 2006, the program is specifically addressing the health care and manufacturing industry shortages by partnering with stakeholders – community colleges and local hospitals for nursing and employers, the National Institute for Standards and

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Technology, and the Manufacturing Skills Standards Council for manufacturing – to assist students in meeting each industry’s professional requirements.

Job Corps continues its goal of raising academic standards by further expanding high school opportunities for its students through a focus on teacher professional development via e-Learning. In addition, learning gains objectives (tied to the common measures system), the implementation of a new version of the Tests of Adult Basic Education, and the expansion of on-line learning for students are driving improvements in literacy and numeracy outcomes of students at all academic levels.

Efforts regarding Limited English Proficient students are being enhanced throughout the Job Corps system. Job Corps has offered ESL and Cultural Awareness programs, and will issue new ESL requirements guidance, curriculum, and technical assistance in FY 2006. Beyond ESL classes, centers also offer VESL, acculturation programs and support, and a number of diversity programs and cultural events for all students.

Job Corps works with many employer partners to meet their current and projected hiring needs, as well as with One-Stop Career Centers to meet both employer and job seekers’ needs. Job Corps also partners with faith-based organizations, national volunteer organizations, and community colleges to reach out to young people, connect with them in their communities and to assist in placement after training. Job Corps will continue to maximize every opportunity to collaborate with businesses, educational institutions, communities and workforce investment partner programs to ensure that training is relevant to the anticipated needs of the labor market and to reduce duplication of service delivery efforts.

Cost Model

The FY 2008 Request of \$1,522,372,000 reflects \$1,422,372,000 for Operations and \$100,000,000 for Construction, Renovation and Acquisition (CRA). At this level, Job Corps Operations would provide an increase to student services over the FY 2007 CR level of service to adjust for inflation and provide additional funding for increases in teacher salaries. The number of training slots would be reduced to 40,185, a reduction of 2,748 slots.

Of the total request, \$1,422,372,000 is for Job Corps operating expenses. This amount includes a transfer of approximately \$164,155,396 to the Departments of Interior and Agriculture to fund the Civilian Conservation Centers, which are operated by these two agencies. The majority of the operations budget, \$906,054,823, is used to fund student training expenses at the DOL (contractor operated) centers; of this amount, approximately 18% is used for meals and lodging for students, 8% for student medical care, 10% for basic education, 15% for vocational training, 28% for social skills training (such as counselors), and 21% is for program administration at the center.

The rest of the operations budget is used to support the centers as follows:

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Outreach and Admissions	\$57,003,886
Career Transition Services	\$56,912,299
Center Leases	\$ 7,108,375
National Training Contractors	\$54,808,740
IT Equipment, Licenses and Support	\$22,778,707
FTS (data and voice)	\$ 7,031,558
Safety and Health Programs	\$ 5,600,627
Student Pay and FECA	\$89,818,814
Home Transportation	\$20,189,635
Property Management	\$15,783,586
Program Development	\$ 8,157,200
Contracting Support	\$ 1,266,469
Program Evaluation	\$ 5,583,885

The FY 2008 request also includes \$100,000,000 for facility construction, rehabilitation, and acquisition (CRA). Of this total, \$500,000 is budgeted for abatement of environmentally unsafe conditions, \$1,485,417 for energy saving investments, \$800,000 for correction of conditions that threaten safety or health, \$2,000,000 for center wiring upgrades, \$6,500,000 to fund engineering support services, \$8,932,683 will be placed in contingency funds for emergency repairs, \$23,500,000 will be for new projects, and \$56,281,900 will be for the completion of construction and rehabilitation projects begun in prior years.

[ETA - JC — LAN/WAN](#)

[ETA - JC — SPAMIS](#)

JOB CORPS

WORKLOAD SUMMARY

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	FY 2008	
			Current Law	Legislative Proposal
Job Corps				
Number of Operating Centers at Year End	120	121	123	123
Student Service Years Graduated	43,156	41,861	40,393	40,393
New Enrollments	62,525	60,522	56,648	56,648
Cost Per New Enrollee	\$25.162	\$26.141	\$26.874	\$26.874
Budget Activity Total	\$1,573,270	\$1,582,079	\$1,522,372	\$1,522,372

CHANGES IN 2008

(\$ in thousands)

Activity Changes		
Built-in		
To provide for:		
FECA		\$507
Two days of pay		\$690
Other Services		\$14,573
Total Built-in		\$15,770
Net Program		-\$75,477
Direct FTE		
	Estimate	FTE
Base	\$1,597,849	
Program Increase for Teachers Salaries	\$5,000	
Program Decrease	-\$80,477	

JOB CORPS

**U.S. Department of Labor
Job Corps
Performance Budget Issue Paper
Competitive Salary Adjustment for Teachers**

Applicable Performance Goal:

Department of Labor Strategic Goal

• **Strategic Goal 1 - A Prepared Workforce**

Develop a prepared workforce by providing effective training and support services to new and incumbent workers and supplying high quality information on the economy and labor market.

Requested Resources:

An increase of \$5,000,000 in operations funds for teachers' salaries is requested.

Rationale/Strategy and Performance Impact Related to Resource Increase:

Average teacher turnover rates nationally (K-12) are approximately 16% annually for public school teachers and approximately 21% annually for private school teachers. Job Corps currently has teacher turnover rates as high as 50% in some areas of the country, with the national average at 32%. Expertise and proficiency of teaching staff are needed to accomplish the Job Corps' mission. Job Corps attempts to ensure that individuals performing these activities are qualified to do so through certification and qualification procedures that require individuals to show proficiency and ability to increase the skill levels of Job Corps graduates. In order to retain highly qualified instructors, salaries must be comparable to the academic institutions with whom we are competing with for qualified applicants in the labor pool.

Employee turnover rate, including teacher turnover, has been an issue in the past and Job Corps has previously made adjustments to help make Job Corps teacher salaries more competitive while incentivizing performance. This has proved successful in the past and has reduced employee turnover. However, a recent study has revealed that Job Corps again has lost ground with the market. This initiative is to bring teacher salaries more in line with the labor market.

Marginal Cost Impact:

The initiative is intended to increase student outcomes on key performance measures, while also increasing cost per participant.

Offsets:

If Job Corps is to absorb the full cost of this initiative, it will have to reduce capacity at centers by 191 training slots.

Base Funding Level:

Base:

Estimate: \$1,597,849,000 FTE: 0

Program Performance at Requested Level:

JOB CORPS

Program Increase: Estimate: \$5,000,000

FTE: 0

INDIAN AND NATIVE AMERICAN PROGRAM

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	Difference FY 06 Enact FY 07 C.R.	FY 2008		Difference FY 07 C.R. FY 08 Req
				Current Law	Legislative Proposal	
Activity Appropriation	\$53,696	\$53,072	-\$624	\$45,000	\$45,000	-\$8,072
Indian and Native American Programs	\$53,696	\$53,072	-\$624	\$45,000	\$45,000	-\$8,072

Introduction

Section 166 of the Workforce Investment Act (WIA), the Native American Programs, makes funds available to Indian tribes, tribal organizations, Alaska Native entities, Indian controlled organizations serving Indians, or Native Hawaiian organizations to support employment and training activities for Indian, Alaska Native and native Hawaiian individuals in order to: 1) develop more fully the academic, occupational, and literacy skills of such individuals; 2) make such individuals more competitive in the workforce; and 3) promote the economic and social development of Indian, Alaska Native, and Native Hawaiian communities in accordance with the goals and values of such communities.

Census data indicate that American Indians and Alaska Natives are by far the most impoverished single group in the nation. The disparity between Native Americans and other groups requires a concentrated effort that targets Native Americans and helps them obtain the skills necessary to obtain employment in a competitive job market.

The Performance Chapter describes the ways in which the Workforce Investment Act – Native American Programs support the Department’s strategic goals. Detailed performance data on the employment outcomes of persons served by these programs are also available there.

Five-Year Budget History

Indians and Native American Program	
Fiscal Year	Funding (Dollars in Thousands)
2003	\$55,636
2004	\$54,676
2005	\$54,238
2006	\$53,696
2007	\$53,072

INDIAN AND NATIVE AMERICAN PROGRAM

FY 2008

In response to the PART recommendations the program will continue its effort to improve accountability and efficiency. The program will do so through the implementation of common performance measures, improvements to program reporting, enhanced review of grantees' financial management to ensure the efficient use of funds, and encouraging the use of technology to deliver services.

Additionally, the program will focus efforts in three strategic areas: 1) ensure that programs are responsive to employers and other tribal businesses; 2) an increased emphasis on longer-term training to meet skill needs of high growth industries; and 3) strengthening collaborative efforts between One Stop Career Centers and Indian and Native American grantees which will allow grantees access to a greater array of services.

The program will also strengthen the competitive grant selection process to ensure that high quality organizations are selected to operate the section 166 program. As indicated in the PART, the framework for awarding grants has provided for a limited type of competition. The competition for grants has been limited due to guiding Federal policy, program authorization, and regulations. As a result, there has been effectively no competition for service on reservations and the amount of each grant has been determined by a formula.

The Department of Labor will be conducting a competition in FY 2008 to select Native American tribes and organizations that will be awarded Section 166 funds for a two-year period. To address concerns raised in the PART, a comprehensive review of the competitive process will be conducted prior to the FY 2008 competition and necessary changes will be made in order to promote greater competition.

The program will also strengthen the competitive grant selection process to ensure that quality organizations are selected to operate the WIA, section 166 program.

FY 2007

Similar to FY 2006, in FY 2007 ETA will assist Native Americans in competing for and obtaining jobs in professions identified as high growth and high demand through skills training targeted by the Section 166 grantees. ETA will work with the Native American Employment and Training Council to identify, assess and address the needs of the service delivery system. A primary focus will be on technology and collaborative partnerships with other Federal and state agencies to assist the Indian and Native American communities in reducing the barriers to employment. Increased alliances will be encouraged between the One-Stop Career Centers and the Section 166 grantees, especially those INA programs located in metropolitan areas. For remote reservation-based areas, remote access will be encouraged through technology.

INDIAN AND NATIVE AMERICAN PROGRAM

FY 2006

In PY 2006, ETA is focusing on job attainment for the unemployed and training for jobs requiring higher level skills and long term employment opportunities. Youth programs on Indians reservations, Alaska Native villages and Native Hawaiian communities continue to emphasize the attainment of the academic skill, occupational competencies and basic skills to address high risk factors and opportunities for gainful employment. ETA has included other eligible tribal governments in its Youth Vision activities. Technical assistance and training opportunities focus on supporting Indian and tribally-operated businesses and employers

INDIAN AND NATIVE AMERICAN PROGRAM

WORKLOAD SUMMARY

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	FY 2008	
			Current Law	Legislative Proposal
Indian and Native American Programs				
Participants	22,657	22,393	19,565	19,565
Cost per Participants	\$2.37	\$2.37	\$2.30	\$2.30
Budget Activity Total	\$53,696	\$53,072	\$45,000	\$45,000

CHANGES IN 2008

(\$ in thousands)

Activity Changes		
Built-in		
To provide for:		
Grants		
Total Built-in		
Net Program		-\$8,072
Direct FTE		
	Estimate	FTE
Base	\$53,072	
Program Decrease	-\$8,072	

INDIAN AND NATIVE AMERICAN PROGRAM

**U.S. Department of Labor
Native American Program
Performance Budget Issue Paper
Native American Program Decrease**

Applicable Performance Goal: Performance Goal 2N – Address worker shortages through the Indian and Native American Program.

Requested Resources: ETA proposes a funding decrease of \$8,072,000 for the Indian and Native American program for FY 2008.

Rationale/Strategy and Performance Impact Related to Resource Decrease: The Department has administered the Indian and Native American Program for over thirty years. ETA believes that providing a greater emphasis on assisting Native Americans in competing and obtaining jobs in professions identified as high growth and high demand through skills training targeted by the Section 166 grantees will result in individuals being served with better outcomes. As a result of the PART improvement plan, ETA has taken actions to improve financial management and program efficiency of Native American tribes and non-profit organizations. These efficiencies will lower cost per participant, and account for part of the funding reduction.

Base Level Funding:

Base:
Estimate: \$53,072,000 FTE: N/A

Program Performance at Request Level: As a result of the actions indicated above ETA will improve financial management and program efficiency in the Native American program. At the requested funding level, 22,393 individuals would be served under the program.

Program Decrease:
Estimate: -\$8,072,000 FTE: N/A

Object Class (\$ in thousands)

Object Class		FY 2008 Request
41.0	Grants, subsidies and contributions	\$45,000,000
	TOTAL	\$45,000,000

MIGRANT AND SEASONAL FARMWORKERS

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	Difference FY 06 Enact FY 07 C.R.	FY 2008		Difference FY 07 C.R. FY 08 Req
				Current Law	Legislative Proposal	
Activity Appropriation	\$79,252	\$79,022	-\$230	\$0	\$0	-\$79,022
Migrant and Seasonal Farmworkers	\$79,252	\$79,022	-\$230	\$0	\$0	-\$79,022

Introduction

The National Farmworker Jobs Program (NFJP) is authorized under Title I, Subpart D, Section 167 of the Workforce Investment Act (WIA) and serves economically disadvantaged persons who are primarily dependent on agricultural labor employment for their livelihood. Eligible participants are typically those persons employed on a seasonal or part-time basis in the unskilled and semi-skilled manual labor occupations in crop and animal production. Through training and other workforce development investment services, the program assists seasonal farmworkers and their families to prepare for jobs that provide stable, year-round employment in agricultural and non-agricultural occupations.

For the past five fiscal years (FY 2003, 2004, 2005, 2006, and 2007), the Administration has not requested budget authority for the WIA Section 167 NFJP grant program. Instead, ETA has pursued a three-pronged strategy to ensure agricultural employers and farmworkers have access to the full spectrum of workforce investment services available through the broader workforce system:

- 1) *Creation of a policy framework* that encourages increased investments by local Workforce Investment Boards in employment and training services to farmworkers;
- 2) *Technical assistance and information* to increase the level of collaboration and coordination among One-Stop partners to find solutions that increase services to farmworkers in the One-Stop system; and
- 3) *Pilot and demonstration initiatives* to develop innovative solutions to achieving integration, and through these initiatives, to lead by example the process of local change.

No budget authority is requested for the WIA Section 167 in FY 2008 as ETA continues to pursue this integration strategy.

The Performance Chapter describes the ways in which the Workforce Investment Act – National Farmworker Jobs Program supports the Department’s strategic goals. Detailed performance data on the employment outcomes of persons served by this program are also available there.

MIGRANT AND SEASONAL FARMWORKERS

The Workforce Investment Act – National Farmworker Jobs Program was assessed in 2003 using the Program Assessment Rating Tool (PART) process and was rated as “Ineffective.” It found that performance accountability has been poor and that the program does not concentrate enough on providing employment and training activities. More than 54 percent of the program’s approximately 29,000 participants receive supportive services; less than 37 percent received training services; and only 26 percent entered unsubsidized employment. Although these services are important, they do not contribute significantly to helping participants gain stable, year-round employment and, in many cases, can be provided by other Federal agencies. The PART assessment also found that services in this program duplicate other Federal efforts. For training and employment services, migrant and seasonal farmworkers can be served by the nationwide network of approximately 3,500 One-Stop Career Centers authorized by the Workforce Investment Act. Other forms of support are available through Federal programs such as Women, Infants, and Children; the Migrant Health program; and the Rural Housing Service. See the Performance Chapter for details on the National Farmworker Jobs Program’s planned improvements.

Five-Year Budget History

Migrant and Seasonal Farmworkers

Fiscal Year	Funding (Dollars in Thousands)
2003	\$77,330
2004	\$76,874
2005	\$76,259
2006	\$79,252
2007	\$79,022

FY 2008

No budget authority is requested for the WIA Section 167 program in FY 2008.

FY 2007

Although the Administration did not request funding for the program, both Committees provided funding in 2007. As a result, ETA will proceed with its biannual solicitation for grant applications for PY 2007. There will be a continued emphasis on partnerships with the public workforce investment system that move toward full integration of services for farmworkers through the One-Stop Career Center system. Recommendations from a report published as a result of the Agricultural Business and Workforce System Integration Forums held in 2006 will be shared with employers and key workforce system leaders at the state and local level. Recommendations will broaden the base of service providers and provide alternative options to

MIGRANT AND SEASONAL FARMWORKERS

meet the needs of farmworkers and agricultural employers. Results from the Migrant and Seasonal Farmworker Cross-Training Demonstration Project in Tulare County, California, will also be published and disseminated.

FY 2006

No budget authority was requested for the WIA Section 167 program in FY 2006, but Congress chose to continue to fund the program. ETA will require the National Farmworker Jobs Program's current grantees to demonstrate how they are continuing to work in partnership with the public workforce investment system in moving toward full integration of services for farmworkers through the One-Stop Career Center system.

The programmatic priorities established for the NFJP in support of the integration strategy include expanding the network of employers with whom they are engaged; targeting occupations in high-growth industries; balancing their program of activities to emphasize the provision of employment and training services that lead to high skills occupations and higher paid employment; and operationalizing the integration of services through the One-Stop system.

To continue to move forward the integration of services strategy, ETA hosted three Agricultural Business and Workforce System Integration Forums in Sacramento, California; Dallas, Texas; and Tampa, Florida. The forums engaged agricultural employers and key leaders of the workforce system at the state and local levels in a discussion about workforce solutions that broaden the base of service providers able to meet the needs of farmworkers and agricultural employers. In addition, ETA also funded a Migrant and Seasonal Farmworker Cross-Training Demonstration in Tulare County, California. This demonstration project is intended to test whether a workforce investment board can provide year-round employment opportunities to farmworkers unemployed between harvests through a combination of cross-training, counter-industry employment, and job placement. Results from the two initiatives will be available in FY 2007.

MIGRANT AND SEASONAL FARMWORKERS

WORKLOAD SUMMARY

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	FY 2008	
			Current Law	Legislative Proposal
Migrant and Seasonal Farmworkers				
Participants	21,595	21,532	0	0
Cost per Participants	\$3.67	\$3.67	\$0.00	\$0.00
Budget Activity Total	\$79,252	\$79,022	\$0	\$0

CHANGES IN 2008

(\$ in thousands)

Activity Changes		
Built-in		
To provide for:		
Grants		
Total Built-in		
Net Program		-\$79,022
Direct FTE		
	Estimate	FTE
Base	\$79,022	
Program Decrease	-\$79,022	

MIGRANT AND SEASONAL FARMWORKERS

**U. S. Department of Labor
Migrant and Seasonal Farmworkers
Performance Budget Issue Paper
Migrant and Seasonal Farmworkers Decrease**

Applicable Performance Goal: Performance Goal 20 – Address worker shortages through the MSFW Program.

Requested Resources: No funding is requested for the WIA Section 167 National Farmworker Jobs Grant Program.

Rationale/Strategy and Performance Impact Related to Resource Decrease: For the past five fiscal years (FY 2003, 2004, 2005, 2006, and 2007), the Administration has not requested budget authority for the WIA Section 167 National Farmworker Jobs Grant Program (NFJP). It has become apparent that those being served by NFJP have the same type of barriers to full-time employment that other workers do, and that the relatively small NFJP program does not provide its participants with the full array of benefits they would derive from a more fully integrated workforce investment system. No budget authority is requested for the NFJP in FY 2008 as ETA continues to pursue this integration strategy.

Base Level Funding:

Base:

Estimate: \$79,022,000 FTE: 0

Program Performance at Request Level: No budget authority is requested for the NFJP in FY 2008.

Program Decrease:

Estimate: -\$79,022,000 FTE: 0

Object Class (\$ in thousands):

Object Class		FY 2008 Request
41.0	Grants, subsidies and contributions	\$0
	TOTAL	\$0

YOUTHBUILD

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	Difference FY 06 Enact FY 07 C.R.	FY 2008		Difference FY 07 C.R. FY 08 Req
				Current Law	Legislative Proposal	
Activity Appropriation	\$0	\$0	\$0	\$50,000	\$50,000	\$50,000
Youthbuild	\$0	\$0	\$0	\$50,000	\$50,000	\$50,000

Introduction

By FY 2008, the Department of Labor will have assumed full administrative responsibility for the YouthBuild program from the Department of Housing and Urban Development.

YouthBuild is a successful strategic approach to workforce investment that supports at-risk youth gaining high school credentials and receiving skills training that leads to employment. YouthBuild provides job training and educational opportunities for at-risk youth ages 16-24 while constructing or rehabilitating affordable housing for low-income or homeless families in their own neighborhoods. Youth split their time between the construction site and the classroom, where they earn their GED or high school diploma, learn to be community leaders, and prepare for college and other post-secondary training opportunities.

The purpose of the program is to:

1. Enable economically disadvantaged youth in obtaining the education and employment skills necessary to achieve economic self-sufficiency.
2. Foster the development of leadership skills and commitment to community development among youth in low-income communities.
3. Provide economically disadvantaged youth with opportunities for meaningful work and service to communities in helping meet the housing needs of specified populations.
4. Expand the supply of permanent affordable housing for specified populations.

Furthermore, the construction industry is experiencing considerable growth. According to the U.S. Bureau of Labor Statistics, the construction industry is predicted to add approximately one million new jobs between 2002 and 2012, an increase of 15% and be among the economy's top 10 largest sources of job growth. The YouthBuild program helps youth take advantage of career opportunities in this growing industry and helps address the construction industry's need for skilled workers.

ETA has identified construction as a high growth industry under the President's High Growth Job Training Initiative. The YouthBuild program reflects the principles of this initiative, such as

YOUTHBUILD

working collaboratively in strategic partnerships that include the workforce investment system, education and training providers, and business and industry. Under this program, these partners work collaboratively to develop solutions to the workforce challenges facing high growth industries and provide maximum access for American workers to gain the competencies they need to get good jobs in the industry. The YouthBuild program will serve as a key component of the solution for the workforce issues facing the construction industry by expanding the pipeline of youth entering the industry.

Five-Year Budget History

YouthBuild

Fiscal Year	Funding (Dollars in Thousands)
2003	\$0
2004	\$0
2005	\$0
2006	\$0
2007	\$0

FY 2008

In FY 2008, DOL will have most transition issues largely resolved, including administrative and regulatory issues, as well as YouthBuild's alignment with the workforce investment system.

The Department will focus on specific programs improvements:

- Working with program providers to enhance business engagement with the program to better ensure employment as an outcome;
- Coordinating Youthbuild activities with other youth employment and training programs across Federal agencies;
- Increasing the number of youth placed in the construction industry;
- Making stronger, more intentional connections between Youthbuild, community colleges and other post-secondary training institutions;
- Strengthening connections between Youthbuild programs and DOL's registered apprenticeship programs;
- Improving educational outcomes for youth participants, which may include supporting Youthbuild programs as they change from helping participants obtain GEDs to helping them attain high school diplomas;
- Ensuring that training is recognized/certified by the construction industry, leading to the attainment of industry-certified credentials; and
- Replicating the Youthbuild model in other high growth industries.

YOUTHBUILD

These strategies will promote more opportunities for youth, strengthen coordination between Youthbuild and the workforce investment system, and improve responsiveness to the workforce needs of business, particularly the construction industry targeted under the High Growth Job Training Initiative.

At the request level of \$50,000,000, 3,268 youth would be served by the program at a cost per participant of \$15,300, which includes stipend payments.

FY 2007

In FY 2007, ETA's attention will be focused on implementing the program transfer and acclimating grantees to DOL's administrative procedures, regulations, and performance expectations during this transition year. ETA will hold a grant competition to award the FY 2007 funding. In FY 2007, 3,268 youth will be served by the program at a cost-per-participant of \$15,300.

FY 2006

In FY 2006, YouthBuild was administered by the Department of Housing and Urban Development.

YOUTHBUILD

WORKLOAD SUMMARY

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	FY 2008	
			Current Law	Legislative Proposal
Youthbuild				
Participants	N/A	0	3,268	3,268
Cost per Participants	N/A	\$15.30	\$15.30	\$15.30
Budget Activity Total	\$0	\$0	\$50,000	\$50,000

CHANGES IN 2008

(\$ in thousands)

Activity Changes		
Built-in		
To provide for:		
Grants		\$0
Total Built-in		\$0
Net Program		\$50,000
Direct FTE		
	Estimate	FTE
Base	\$0	
Program Increase	\$50,000	

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

Introduction

The Omnibus Budget of 2005 reinstated the H-1B Nonimmigrant Petitioner fees. These fees are used to provide job training services and related capacity-building activities designed to train workers in the skills needed to obtain or upgrade employment in high-growth industries and economic sectors. Funds are also used to assist in the development and implementation of model activities such as developing appropriate curricula to build core competencies and train workers, identifying and disseminating career and skill information, and increasing the integration of community and technical college activities with businesses and the public workforce investment system to meet the training needs for high-growth industries and economic sectors.

Fee revenues are used to support activities under two major initiatives:

- The President's High Growth Job Training Initiative targets the skill and talent needs of high growth, high demand industries in our nation's economy and provides the resources necessary to develop the capacity to train workers in the skills demanded by the 21st century economy.
- The Workforce Innovation in Regional Economic Development (WIRED) Initiative supports innovative approaches to workforce and economic development that go beyond traditional strategies preparing workers to compete and succeed. WIRED seeks to catalyze the creation of high-skill and high-wage opportunities for American workers within the context of regional economies

In FY 2008, ETA will dedicate a small percentage of these funds to a third effort. Building on the principles in the WIRED and High Growth Job Training Initiatives, particularly the critical role of regional partnerships, ETA will begin to develop public-private funding collaboratives. This effort would focus Federal funding on training and education in response to the growing need for post-secondary education by leveraging additional public and private resources.

Five-Year Budget History

Job Training for Employment in High-Growth Industries

Fiscal Year	Funding (Dollars in Thousands)
2003	\$97,132 ¹
2004	\$845
2005	\$104,596
2006	\$131,653
2007	\$125,000 ²

¹Does not include rescission of \$93,415,892, pursuant to P.L. 108-447.

²Estimate

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

FY 2008

Based on continuous evaluation and analysis of the kinds of workforce challenges facing high-growth, high-demand industries, DOL has identified areas of focus for future investments for this funding:

- Talent Development in Regional Economies. Identify strategies to further integrate workforce education and talent development with economic development, particularly at the regional level, to ensure workers have the skills they need to compete in the global marketplace.
- Technology-Based Learning Models. Invest in new and innovative education and learning models, including technology-based learning curricula and programs to promote better access to education and training programs.
- Enhancing Capacity of Talent Development Institutions. Enhance new and expanded pathways to higher education, develop competency-based apprenticeship and internship, and build a framework for competencies across industries that can be customized within sectors and easily updated to accommodate changing technology and business practices.
- Expanding Access to Human Capital. Work with industry to develop strategies for engaging untapped labor pools and overcome to barriers to employment.

As part of these areas of focus, ETA will begin an effort that focuses Federal funding on training and education in response to the growing need for a highly skilled workforce by leveraging additional resources. This effort builds on the principles in the WIRED Initiative, particularly the critical role of regional partnerships and leveraging resources in addressing workforce challenges facing high-growth, high-demand industries. The goal is to develop public-private funding collaboratives that are results-driven, entrepreneurial and flexible where federal workforce development funds are used as a catalyst to locate and leverage public and private resources.

This design is modeled after a project that has been funded by the Casey, Ford and Rockefeller Foundations over the past three years. The six pilot sites that have received foundation funding are: Boston, San Francisco, Baltimore, New York City, Austin and the Commonwealth of Pennsylvania. The \$2 million investment from these three foundations has leveraged \$25.7 million from other foundations and total funds of \$53 million from a combination of Federal, state and local resources.

Federal grant dollars would be awarded to components of the public workforce investment system that commit to leveraging a minimum of \$2 in non-federal resources for every \$1 in federal grant funds. As a result, the workforce system would be incentivized to partner with

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

employers, education and training institutions, community partners, the philanthropic community and other entities to collaborate on policy and funding issues that goes beyond the coordination that currently exists in much of the country. Collaboration will result in fundamental changes in how funds are allocated within a region by making sure that funds are properly aligned, reducing duplication of effort, and streamlining administration and infrastructure. This activity would result in improved outcomes and increased efficiencies.

Foundations are playing key roles in the partnerships of the WIRED regions, by providing both regional leadership and needed resources. For example:

- The Charles Stewart Mott Foundation in the Mid-Michigan region is part of the steering committee driving the regional initiative. The foundation has provided \$17 million in leveraged resources for the \$15 million grant received from ETA under the WIRED initiative. In addition, the Mott Foundation is contributing financial resources to critical infrastructure projects in the region that will support regional strategies for workforce and economic development, such as improvements to a local airport and building a fuel cell research park.
- Southwestern Connecticut is one of the WIRED “virtual” regions which received a small planning grant from ETA. The JP Morgan Chase Foundation has also provided a planning grant to support Southwestern Connecticut’s effort to launch an initiative that will transform the regional economy. Additionally, the foundation has pledged further funding, dependent upon the region’s ability to leverage other private support.

The funding collaborative effort will further harness the important role of foundations, as highlighted in these examples from the WIRED initiative, in efforts to transform regional economies to be competitive in the global economy.

FY 2007

In FY 2007, H-1B fee-funded High Growth Job Training Grants are providing solutions to the workforce challenges faced by high-growth, high-demand industries and develop talent in regional economies. The workforce solutions funded under the High Growth Initiative grants and WIRED address critical workforce challenges identified by strategic partnerships, which include business and industry, education and training providers, and the workforce investment system, such as: (1) developing a pipeline of young skilled workers; (2) building competency models, career ladders, and career lattices for new and incumbent workers; (3) expanding post-secondary training alternatives, including apprenticeships and community colleges’ workforce development programs; (4) accessing new and/or untapped labor pools; (5) transitioning workers from declining industries; (6) developing strategies for retaining incumbent workers and updating their skills; and (7) engaging small businesses.

WIRED focuses on the role of talent development in driving regional economic competitiveness, increased job growth and new opportunities for American workers in high-growth, high-demand

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

occupations. In FY 2007, DOL will be providing second year grant funds for the original 13 WIRED regions, as well as looking for additional investment opportunities to ensure the development of workers' skills in demand occupations through the WIRED Initiative. As is the case with investments under the High Growth Job Training Initiative, resources are used to provide job training services and related activities designed to assist workers in gaining the education, skills and competencies needed to obtain jobs or advance in their careers in high-growth industries and economic sectors. DOL continues to make the products and approaches from all WIRED and High Growth grants available nationwide for replication and adoption.

FY 2006

In FY 2006, H-1B Funded High Growth Job Training grants targeted investments to support the development of workforce solutions in the context of strategic public/private partnerships to ensure the development of workers' skills in demand occupations based on industry need. These investments provided job training and related activities for workers to assist them in obtaining or upgrading employment in a variety of high-growth industries such as advanced manufacturing, aerospace, construction, energy, financial services, health care, hospitality, information technology, and transportation.

DOL has worked with grantees to make the products and approaches from all High Growth Job Training grants available nationwide for replication and adoption, and we have provided access to these products through a variety of Web-based and technical assistance tools.

In February 2006, DOL launched WIRED and competitively selected 13 economic regions from across the country, the First Generation of WIRED, to assist in the networking of their regional assets. Each region will receive approximately \$15 million in funding over a three-year period. An additional 13 regions selected through this same competition were initially invited to participate in the WIRED Initiative as members of a "virtual community", receiving small planning grants and the opportunity to be a part of the WIRED learning network. ETA has now invited these regions to become the Second Generation of WIRED and will be providing these regions with an additional \$5 million over a three-year period.

The goal in each of these regions is to expand employment and advancement opportunities for American workers and catalyze the creation of high-skill and high-wage jobs in regional economies. The U. S. Department of Labor used the following criteria to judge the proposals received under the WIRED Initiative:

- 1) Demonstration of the strategic *partnership* that is representative of the entire economic region and is comprised of a strong team of regional leaders;
- 2) Presence of impacted economic elements in the region (unemployment, low wages, low levels of new job creation) and description of the economic and labor market conditions that are driving the *need* for transformation (such as industries that are declining or industries targeted for growth); and

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

- 3) Demonstration of how the region will undergo *transformation* through the implementation of new efforts designed to drive integration among workforce, economic development and education systems; innovation in addressing challenges; and utilizing and building upon existing structures, resources and legislatively funded programs.