

FY 2010

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Community Service Employment for Older Americans

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

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APPROPRIATION LANGUAGE

To carry out title V of the Older Americans Act of 1965, [\$571,925,000] \$575,425,000, which shall be available for the period July 1, [2009] 2010 through June 30, [2010: *Provided*, That funds made available under this heading in this Act may, in accordance with section 517(c) of the Older Americans Act of 1965, be recaptured and reobligated] 2011.

(Department of Labor Appropriations Act, 2009.)

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EXPLANATION OF LANGUAGE CHANGE

The Administration proposes amending the Community Service Employment for Older Americans appropriation by eliminating the following provision: “That funds made available under this heading in this Act may, in accordance with section 517(c) of the Older Americans Act of 1965, be recaptured and reobligated.”

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ANALYSIS OF APPROPRIATIONS LANGUAGE

Not applicable.

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AMOUNTS AVAILABLE FOR OBLIGATION								
(Dollars in Thousands)								
	FY 2008 Enacted		FY 2009 Enacted		Recovery Act		FY 2010 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Appropriation	0	530,900	0	571,925	0	120,000	0	575,425
Reduction pursuant to (P.L. 110-161)	0	-9,275	0	0	0	0	0	0
Appropriation, Revised	0	521,625	0	571,925	0	120,000	0	575,425
Real Transfer From:	0	0	0	0	0	0	0	0
SUIESO	0	50	0	0	0	0	0	0
Subtotal Appropriation	0	521,675	0	571,925	0	120,000	0	575,425
Offsetting Collections:	0	0	0	0	0	0	0	0
Expenditure Transfers to PA	0	0	0	0	0	-1,200	0	0
Subtotal Offsetting Collections	0	0	0	0	0	-1,200	0	0
B. Gross Budget Authority	0	521,675	0	571,925	0	118,800	0	575,425
Real Transfer From:	0	0	0	0	0	0	0	0
SUIESO	0	-50	0	0	0	0	0	0
Offsetting Collections:	0	0	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0	0	0
Fees	0	0	0	0	0	0	0	0
Expenditure Transfers to PA	0	0	0	0	0	1,200	0	0
Subtotal Offsetting Collections	0	0	0	0	0	1,200	0	0
C. Budget Authority	0	521,625	0	571,925	0	120,000	0	575,425
Before Committee	0	521,625	0	571,925	0	120,000	0	575,425
Real Transfer From:	0	0	0	0	0	0	0	0
SUIESO	0	50	0	0	0	0	0	0
Offsetting Collections:	0	0	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0	0	0
Fees	0	0	0	0	0	0	0	0
Expenditure Transfers to PA	0	0	0	0	0	-1,200	0	0
Subtotal Offsetting Collections	0	0	0	0	0	-1,200	0	0
D. Total Budgetary Resources	0	521,675	0	571,925	0	118,800	0	575,425
Unobligated Balance End-of-Year	0	-18,008	0	0	0	0	0	0
E. Total, Estimated Obligations	0	503,667	0	571,925	0	118,800	0	575,425

Total estimated obligations displayed above are accurate and supersede the total estimated obligations included in the President's Budget database for this appropriation.

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2009 Enacted	FY 2010 Request	Net Change
Budget Authority			
General Funds	571,925	575,425	+3,500
Trust Funds	0	0	0
Total	571,925	575,425	+3,500
Full Time Equivalents			
General Funds	0	0	0
Trust Funds	0	0	0
Total	0	0	0

Explanation of Change	FY 2009 Base		FY 2010 Change				Total	
			Trust Funds		General Funds			
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
B. Program:								
To provide an increase for the Community Service Employment for Older Americans program.	0	571,925	0	0	0	3,500	0	3,500
Programs Subtotal			0	0	0	+3,500	0	+3,500
C. Financing:								
Total Increase	0	0	0	0	0	+3,500	0	+3,500
Decreases:								
A. Built-Ins:								
To Provide For:								
B. Program:								
C. Financing:								
Total Change	0	0	0	0	0	+3,500	0	+3,500

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	FY 2008 Enacted		FY 2009 Enacted		Recovery Act		FY 2010 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Community Service Employment for Older Americans	0	521,625	0	571,925	0	120,000	0	575,425
General Funds	0	521,625	0	571,925	0	120,000	0	575,425
Total	0	521,625	0	571,925	0	120,000	0	575,425
General Funds	0	521,625	0	571,925	0	120,000	0	575,425

**COMMUNITY SERVICE EMPLOYMENT FOR OLDER
AMERICANS**

BUDGET AUTHORITY BY OBJECT CLASS						
(Dollars in Thousands)						
		FY 2008 Enacted	FY 2009 Enacted	Recovery Act	FY 2010 Request	Change FY 10 Req. / FY 09 Enacted
41.0	Grants, subsidies, and contributions	521,625	571,925	120,000	575,425	3500
	Total	521,625	571,925	120,000	575,425	3,500

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APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2000	440,200	440,200	440,200	440,200	0
2001	440,200	440,200	440,200	440,200	0
2002	440,200	440,200	450,000	445,100	0
2003....1/	440,200	440,200	440,200	442,306	0
2004....2/	440,200	440,200	442,306	438,650	0
2005....3/	440,200	440,200	440,200	436,678	0
2006	436,678	436,678	436,678	432,311	0
2007	388,311	388,311	388,311	483,611	0
2008....4/	350,000	530,900	483,611	521,625	0
2009....5/ 6/	350,000	0	571,925	571,925	0
2010	575,425	0	0	0	0

1/ Reflects a .65% across-the-board rescission pursuant to P.L. 108-7.

2/ Reflects the Conference action including a rescission of 0.59%.

3/ Reflects a 0.8% government-wide rescission pursuant to P.L. 108-447.

4/ Reflects a 1.747% rescission pursuant to P.L. 110-161.

5/ This bill was only reported out of Subcommittee and was not passed by the Full House.

6/ \$120,000,000 in Recovery Act funds were provided pursuant to P.L. 111-5

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BUDGET AUTHORITY BEFORE THE COMMITTEE						
(Dollars in Thousands)						
	FY 2008 Enacted	FY 2009 Enacted	Diff. FY08 Enacted / FY09 Enacted	Recovery Act	FY 2010 Request	Diff. FY09 Enacted / FY10 Req
Activity Appropriation	521,625	571,925	50,300	120,000	575,425	3,500
FTE	0	0	0	0	0	0

Introduction

The Community Service Employment for Older Americans (CSEOA) program is authorized by Title V of the Older Americans Act (OAA). First enacted in 1965, the OAA was reauthorized and amended in 2006 (PL 109-365, 42 U.S.C. 3056 et seq.). Although the Department of Health and Human Services has overall responsibility for the OAA, the Department of Labor retains responsibility for Title V.

The CSEOA program was established to foster individual economic self-sufficiency and promote useful opportunities in community service, with a focus on persons with low employment prospects. Participants must be unemployed persons 55 years or older, with incomes no more than 125 percent of the Federal poverty level, which was \$13,538 in FY 2009. Also known as the Senior Community Service Employment Program (SCSEP), the program offers part-time, work-based training (or authorized positions) at 501(c)(3) non-profits or government agencies (also referred to as host agencies) to prepare participants to enter or re-enter the workforce. Participants are paid the highest of the Federal, state, or local minimum wage. The 74 national, state, and territorial CSEOA grantees serve approximately 90,000 individuals per year.

In addition to wages and benefits, CSEOA provides the following programmatic services to participants:

- Orientation and assessments;
- Supportive services;
- Participant training (e.g., on the job or in a classroom setting); and,
- Job placement assistance.

While enrolled in the program, all participants must be covered by workers compensation and offered an annual physical examination. Each participant's skills and interests are assessed at least twice a year, leading to the development of an Individual Employment Plan. This plan is designed to lead to the ultimate goal for participants – unsubsidized employment.

In addition to direct services to eligible individuals, the 2006 amendments to the OAA allow CSEOA to use up to 1.5 percent of its authorized funding for pilot, demonstration and evaluation projects.

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In an effort to respond to on-going program improvement plan recommendations, ETA is taking several actions. Highlights include the adoption of common measures; development of a comprehensive online data collection, evaluation and performance management system; completion of three competitions, including one for national grantees (which account for 78 percent of all participant positions); extensive technical assistance and training; and the publication of a proposed rule to implement the 2006 OAA amendments.

In PY 2006, the performance measures system for CSEOA was modified to accommodate common measures adopted through the 2006 OAA amendments. The new measures were implemented on July 1, 2007, and all grantees are now accountable for core measures and additional indicators. Core measures include entry into unsubsidized employment, retention for six months, average earnings, hours of community service, the number of individuals served, and service to individuals who are most in need. Additional indicators are retention at one year and customer satisfaction of participants, host agencies, and employers.

In PY 2006, only state grantees reported common measures data because the competition for national grantees resulted in an abbreviated nine-month program year. The PY 2007 results for entered employment and retention were 52 percent and 71 percent, respectively. In general, these results indicate that finding employment opportunities for older workers remains a challenge, but once employed, older workers tend to remain employed. The outcome for the PY 2007 average six month earnings measure was \$6,713. The turnover rate is estimated at 1.47 in FY 2008, 1.50 in FY 2009, and 1.53 in FY 2010. The program estimates that approximately 90,753 participants will receive services in FY 2010, a two percent increase from FY 2009 and more than a two percent increase from FY 2008.

Funding Mechanism

The funding mechanism for SCSEP is determined by a formula set forth in Title V, section 506 of the OAA (PL 109-365, 42 U. S. C. 3056 et seq.). In general, the formula allocates funds to every state, the District of Columbia (DC) and Puerto Rico (PR) based on U.S. Census data on the number of individuals in that jurisdiction who are 55 and older with low per-capita income. There are three reservations of funds before the amounts can be allocated to the states, DC, and PR: a) up to 1.5 percent of the total authorization as determined by the Secretary of Labor for pilots, demonstration and evaluation projects; b) a fixed percentage of .75 percent of the total allocation to the Territories of Guam, the U.S. Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands; and c) a portion determined by the Secretary of Labor for national public or non-profit agencies to serve eligible American Indian and Pacific Island /Asian American individuals.

After the reserve amounts are specified and the funding proportion for each state is determined by the formula, funds are allocated to and administered through one-year grants to the governor of the state and national non-profit agencies. Approximately 22 percent of formula funds are awarded to the governors, with 78 percent awarded to national non-profit agencies for services across the country. In 2006, ETA conducted a competition for the national grantees. As a result, 18 organizations received CSEOA funds, including three organizations under the Indian and

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Pacific Islands /Asian Americans set-aside. Under the OAA 2006 amendments, the next competition for national grantees would be held in 2010.

In general, 75 percent of Federal funds must be spent on wages and benefits to participants with the remaining funds for other participant costs. There is an administrative cap of 13.5 percent. The Federal funds provided each of the 74 grantees has a ten percent matching requirement, which may be cash or in-kind.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2005	436,678	0
2006	432,311	0
2007	483,611	0
2008	521,625	0
2009	571,925	0

NOTE: Excludes Recovery Act Funding. See budget activity head table.

FY 2010

The FY 2010 request is for \$575,425,000 to fund 59,316 participant authorized positions, the same number as requested in FY 2009. The increase of \$3,500,000 over FY 2009 will cover the July 24, 2009 Federal minimum wage increase for the entire program year, which begins on July 1, 2010. The FY 2010 request will serve approximately 91,000 low-income older workers.

Demographic analysis indicates that older workers will account for an increasingly large proportion of the trained and available workforce in the United States over the next few decades. In addition to providing training and employment services to thousands of our most vulnerable seniors, ETA will continue its efforts to have the One-Stop Career Center system play a stronger role in placing job-ready older workers in unsubsidized employment. ETA will also focus more on helping employers to recognize the value of older workers. Such efforts will help ensure that the neediest seniors are considered for positions in growth industries.

In FY 2006, ETA awarded current national grantees four-year grants with an additional one-year grant option based on performance. In FY 2010, ETA will conduct a comprehensive analysis of national grantee performance to determine which grants to extend and which to recompute.

American Recovery and Reinvestment Act (Recovery Act) funds for CSEOA will expire at the end of PY 2009. ETA will focus technical assistance efforts on ensuring that participants funded by the Recovery Act are transitioned to the PY 2010 program with the least disruption possible. ETA will use the information, insights, and experiences gained in the FY 2009 and Recovery Act grants to expand “green jobs” opportunities for this hard-to-serve population.

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FY 2009

The FY 2009 appropriation of \$571,925,000 funded 59,316 participant slots, the same number as provided in FY 2008. The increase in overall funds from FY 2008 reflects the Federal minimum wage increase effective July 24, 2009. The increase raised the cost per slot in PY 2009 to \$9,642. This appropriation funded approximately 89,000 low-income older workers in community service assignments.

In FY 2009, ETA used pilot, demonstration, and evaluation project funds – as authorized by the 2006 OAA amendments – to develop and implement effective techniques and approaches to address the employment and training needs of CSEOA-eligible individuals. These projects include encouraging better services for older workers at One-Stop Career Centers. Technical assistance to grantees and sub-grantees increasingly makes use of technologies such as webinars, podcasts, and online communities of practice, while continuing regular all-grantee conference calls, program update emails, and collaborative efforts with the Federal Project Officers stationed in the six ETA regional offices. ETA will focus technical assistance on ensuring that grantees effectively coordinate the delivery of services funded through both the Recovery Act funding and the regular appropriation.

In its efforts to promote green jobs, ETA will work with grantees to determine how current participants are already placed in assignments that assist or further enable “greening” efforts; how grantees plan to provide training for participants in green jobs growth industries such as energy efficiency and environmental services; and how grantees will recruit “green” host agency assignments. These host agencies may include (but are not limited to) non-profit environmental and clean energy advocacy groups, wildlife protection groups, groups working to recover wildlife habitat, local government recycling and waste management offices, land conservation offices, government offices administering telecommuting and car-pooling programs, tree-planting or preservation programs, and state agricultural extension agencies.

ETA will examine specific strategies to recruit and successfully serve minority individuals, including identifying barriers encountered by minority populations and strategies to overcome those barriers.

Recovery Act

Title VIII of Division A of the Recovery Act made \$120,000,000 available to ETA to serve additional unemployed low-income senior citizens, of which 1 percent is to be used for administration, management, and oversight of the program. On March 18, ETA allotted \$118,800,000 (after 1 percent reserved for program administration) to all 74 current grantees, in proportion to their PY 2008 allotment.

The goals of the Recovery Act are to help preserve and create jobs, promote the nation’s economic recovery, and assist those most impacted by the recession. To this end, ETA expects grantees to expand the number of participants assigned to community service work, especially in growth industries emphasized in the Recovery Act (e.g., health care, child care, education, green

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jobs, energy efficiency and environmental services). This approach should yield not only increased services and training for seniors, but also provide increased community services to invigorate and advance prosperity in communities.

Grantees have several major management tasks. Grantees need to ensure that: 1) there is sufficient participant and host agency recruitment; 2) maintenance of effort violations do not occur or result in the replacement of workers, laid off by recipient host agencies, with program participants; and 3) there is minimal disruption to participants enrolled under the Recovery Act program when the funding expires on June 30, 2010.

FY 2008

The total funding for PY 2008 was \$521,625,000, of which \$516,625,177 was for direct grantee services to participants. The remainder of the PY 2008 appropriation was allocated to pilots and demonstration projects. FY 2008 funding for PY 2008 grants was awarded on July 1, 2008 to 56 states and territories and 18 national grantees. Each grant included individually-negotiated performance goals. Grantees were also asked to address the regional economies in which they operate and identify specific ways in which they could align their implementation strategies with key industries and occupations in their regions.

On August 14, 2008, ETA issued a Notice of Proposed Rule Making that would implement the provisions of the reauthorized Older Americans Act in 2006. ETA is analyzing the numerous comments received through October 14, 2008, with publication of the Final Rule anticipated in 2009.

ETA provides training and technical assistance, based on needs identified by grantees, to help ensure the successful implementation of CSEOA. Topic areas include emergency preparedness, Americans with Disabilities Act compliance in terms of the Title V statute, application for and information about the On-the-Job Experience (OJE) training waiver, and employer outreach strategies and budget issues (including allowed and disallowed costs). Dissemination mechanisms include webinars, all-grantee conference calls, newsletters, and an annual business meeting.

ETA is exploring opportunities to develop partnerships with employers and other government agencies to help participants pursue employment opportunities while simultaneously helping grantees to leverage resources from key community partners. These partnerships will benefit participants and help the entire workforce investment system better serve all older workers. ETA published a \$10,000,000 Solicitation of Grant Awards in December 2008. The goals of these demonstration grants are: (1) to develop models for talent development in regional economies that recognize older workers as a valuable labor pool and include employment and training strategies to retain and/or connect older workers to jobs in high-growth, high-demand industries critical to the regional economy; and (2) to build the capacity of the public workforce investment system to serve older individuals, and identify innovative talent development models for an aging worker population. Grants will be awarded in the summer of 2009.

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WORKLOAD SUMMARY (Dollars in Thousands)			
	FY 2008 Actual	FY 2009 Target	FY 2010 Target
Community Service Employment for Older Americans			
Authorized Positions (slots)	59,316	59,316	59,316
Participants*	87,194	88,974	90,753
Turnover Rate**	1.47	1.50	1.53
Cost per Participant	\$5,982	\$6,428	\$6,341
Budget Activity Total	\$521,625	571,925	575,425

* The FY 2008 estimate of participants served is based on the PY 2007 participants served result. PY 2008 ends on 6/30/09.

**Turnover rate is inversely related to average duration of service/training positions and indicates how many participants can be served for each funded slot.

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PERFORMANCE GOAL INDICATORS

To increase the employment, retention, and earnings of individuals registered under the Senior Community Service Employment Program.									
	PY 2005*		PY 2006		PY 2007		PY 2008	PY 2009	PY 2010
	Goal Not Achieved		Goal Not Achieved		Substantially Achieved				
Performance Indicator	Target	Result	Target	Result	Target	Result	Target	Target	Target
1. Percent of participants employed in the first quarter after exit.	55%	33%	38%	32%	33%	52%	49.2%	48.1%	48.7%
2. Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit.	65%	73%	48%	66%	67%	71%	69.1%	68.3%	68.7%
3. Average earnings in the second and third quarters after exit	Baseline	\$4,922	Baseline	\$6,704	\$6,775	\$6,713	\$6,360	\$6,229	\$6,301
Baseline(s): The SCSEP did not collect Average Earnings data in PY 2004 because SCSEP Performance and Results QPR System (SPARQ) used the Earnings Gain definition.									
Data Source(s): SCSEP Quarterly reports: <i>Workforce System Results</i> .									
Comments: *The difference in results between PY 2005 and 2006 reflects the transition to common measures in PY 2006 from OAA-mandated SCSEP placement and retention measures. PY 2007 results data are as of September 30, 2008.									

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CHANGES IN FY 2010 (Dollars in Thousands)

Activity Changes		
Built-In		
To Provide For:		
Built-Ins Subtotal		0
Net Program		3,500
Direct FTE		0
	Estimate	FTE
Base	571,925	0
Program Increase	3,500	0