

FY 2010

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Program Administration

PROGRAM ADMINISTRATION

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For expenses of administering employment and training programs, [\$85,323,000] \$97,766,000, together with not to exceed [\$45,140,000] \$50,140,000, which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund. (*Department of Labor Appropriations Act, 2009.*)

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EXPLANATION OF LANGUAGE CHANGE

No change except funding level.

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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
A. Appropriation	486	88,451	469	85,323	0	0	506	97,766
Reduction pursuant to (P.L. 110-161)	0	-1,545	0	0	0	0	0	0
Other Supplementals and Rescissions	0	0	0	0	0	0	0	0
Appropriation, Revised	486	86,906	469	85,323	0	0	506	97,766
Subtotal Appropriation	486	86,906	469	85,323	0	0	506	97,766
Offsetting Collections From:	0	0	0	0	0	0	0	0
Reimbursements	4	475	4	521	0	0	4	542
Trust Funds	411	85,417	297	45,140	0	0	306	50,140
Fees	31	13,054	0	0	0	0	0	0
Expenditure Transfers from TES, CSEOA, ES	0	0	0	0	203	44,700	0	0
Non-Expenditure Transfers from DM	0	0	0	0	45	10,000	0	0
Subtotal Offsetting Collections From:	446	98,946	301	45,661	248	54,700	310	50,682
B. Gross Budget Authority	932	185,852	770	130,984	248	54,700	816	148,448
Offsetting Collections	0	0	0	0	0	0	0	0
Deduction:	0	0	0	0	0	0	0	0
Reimbursements	-4	-475	-4	-521	0	0	-4	-542
Fees	-31	-13,054	0	0	0	0	0	0
Expenditure Transfers from TES, CSEOA, ES	0	0	0	0	-203	-44,700	0	0
Non-Expenditure Transfers from DM	0	0	0	0	-45	-10,000	0	0
Subtotal Deduction	-35	-13,529	-4	-521	-248	-54,700	-4	-542
C. Budget Authority	897	172,323	766	130,463	0	0	812	147,906
Before Committee	897	172,323	766	130,463	0	0	812	147,906
Offsetting Collections From:	0	0	0	0	0	0	0	0
Reimbursements	4	475	4	521	0	0	4	542
Fees	31	13,054	0	0	0	0	0	0
IT Crosscut	0	0	0	0	0	0	0	0
Expenditure Transfers from TES, CSEOA, ES	0	0	0	0	203	44,700	0	0
Non-Expenditure Transfers from DM	0	0	0	0	45	10,000	0	0
Subtotal Offsetting Collections From:	35	13,529	4	521	248	54,700	4	542
D. Total Budgetary Resources	932	185,852	770	130,984	248	54,700	816	148,448
Other Unobligated Balances	0	0	0	0	0	0	0	0
Unobligated Balance Expiring	-4	-989	0	0	0	0	0	0
E. Total, Estimated Obligations	928	184,863	770	130,984	248	54,700	816	148,448

Note: Recovery Act funds support a total of 65 FTE in 2009 and 248 FTE in 2010.

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2009 Enacted	FY 2010 Request	Net Change
Budget Authority			
General Funds	85,323	97,766	+12,443
Trust Funds	45,140	50,140	+5,000
Total	130,463	147,906	+17,443
Full Time Equivalents			
General Funds	469	506	+37
Trust Funds	297	306	+9
Total	766	812	+46

Explanation of Change	FY 2009 Base		Trust Funds		FY 2010 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	766	69,854	0	642	0	1,301	0	1,943
Personnel benefits	0	17,937	0	44	0	84	0	128
Benefits for former personnel	0	33	0	0	0	0	0	0
Travel	0	1,488	0	4	0	6	0	10
Transportation of things	0	7	0	0	0	0	0	0
GSA Space Rental	0	8,044	0	19	0	37	0	56
Communications, utilities & miscellaneous charges	0	1,134	0	2	0	5	0	7
Printing and reproduction	0	207	0	0	0	0	0	0
Advisory and assistance services	0	5,503	0	13	0	25	0	38
Other services	0	414	0	1	0	1	0	2
Working Capital Fund	0	18,013	0	-30	0	-40	0	-70
Purchase of goods and services from other Government accounts	0	0	0	179	0	213	0	392
Operation and maintenance of facilities	0	19	0	0	0	0	0	0
Operation and maintenance of equipment	0	5,717	0	12	0	23	0	35
Supplies and materials	0	621	0	1	0	2	0	3
Equipment	0	680	0	1	0	2	0	3
Insurance claims and indemnities	0	45	0	0	0	0	0	0
Built-Ins Subtotal	766	129,716	0	888	0	1,659	0	2,547
B. Program:								
To provide an increase in Adult activity to fund a newly established Executive TAA Office as prescribed in P.L. 111-5 (ARRA)	259	51,987	3	600	0	0	3	600
To provide an increase in funding for 1 Project Manager and 5 technical personnel to support IT activities.	719	124,677	2	340	4	680	6	1,020

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Explanation of Change	FY 2009 Base		FY 2010 Change				Total	
			Trust Funds		General Funds			
To provide for an increase in funding for Apprenticeship staff to support new regulations, Green Jobs and oversight activities.	127	21,848	0	0	27	4,590	27	4,590
To provide for increased IT contractual support for mission critical IT infrastructure, management information systems and IT security.	766	132,906	0	1,076	0	1,964	0	3,040
To provide funding for 10 regional staff supporting the Adult, Youth, and Workforce Security activities with technical assistance and oversight.	592	102,829	4	680	6	1,020	10	1,700
To refresh and modernize mission critical IT LAN hardware and conform with IT architecture going forward.	766	132,906	0	1,452	0	2,598	0	4,050
Programs Subtotal			+9	+4,148	+37	+10,852	+46	+15,000
C. Financing:								
Total Increase	+766	+129,716	+9	+5,036	+37	+12,511	+46	+17,547
Decreases:								
A. Built-Ins:								
To Provide For: Federal Employees Compensation Act (FECA)	0	747	0	-36	0	-68	0	-104
Built-Ins Subtotal	0	747	0	-36	0	-68	0	-104
B. Program:								
C. Financing:								
Total Decrease	0	+747	0	-36	0	-68	0	-104
Total Change	+766	+130,463	+9	+5,000	+37	+12,443	+46	+17,443

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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
Adult Services	272	50,392	259	51,061	174	38,665	266	55,662
General Funds	231	42,683	219	43,250	174	38,665	223	47,109
Unemployment Trust Funds	41	7,709	40	7,811	0	0	43	8,553
Youth Services	63	10,789	62	10,932	36	7,910	67	12,558
General Funds	63	10,789	62	10,932	36	7,910	67	12,558
Workforce Security	302	40,411	271	38,945	38	8,125	277	43,236
General Funds	35	6,243	26	3,669	20	4,125	26	3,740
Unemployment Trust Funds	267	34,168	245	35,276	18	4,000	251	39,496
Apprenticeship	130	21,166	127	21,447	0	0	155	27,784
General Funds	130	21,166	127	21,447	0	0	155	27,784
Executive Direction	55	8,078	47	8,078	0	0	47	8,666
General Funds	40	6,025	35	6,025	0	0	35	6,575
Unemployment Trust Funds	15	2,053	12	2,053	0	0	12	2,091
Foreign Labor Certification	75	41,487	0	0	0	0	0	0
Unemployment Trust Funds	75	41,487	0	0	0	0	0	0
Total	897	172,323	766	130,463	248	54,700	812	147,906
General Funds	499	86,906	469	85,323	230	50,700	506	97,766
Unemployment Trust Funds	398	85,417	297	45,140	18	4,000	306	50,140

NOTE: FY 2008 reflects actual FTE. Recovery Act funds support a total of 65 FTE in 2009 and 248 FTE in 2010.

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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
	Full-Time Equivalent					
	Full-time Permanent	897	766	248	812	46
	Other	31	0	0	0	0
	Reimbursable	4	4	0	4	0
	Total	932	770	248	816	46
	Total Number of Full-Time Permanent Positions	932	770	0	816	46
	Average SES Salary	158,709	168,924	0	172,302	3378
	Average GM/GS Grade	12	12	0	12	0
	Average GM/GS Salary	83,156	88,741	0	90,516	1775
11.1	Full-time permanent	80,214	65,784	4,871	73,892	8108
11.3	Other than full-time permanent	1,764	1,096	24,057	1,126	30
11.5	Other personnel compensation	2,289	2,974	720	3,058	84
11.8	Special personal services payments	53	0	0	124	124
11.9	Total personnel compensation	84,320	69,854	29,648	78,200	8346
12.0	Civilian personnel benefits	21,062	18,684	7,491	19,935	1251
13.0	Benefits for former personnel	99	33	0	313	280
21.0	Travel and transportation of persons	2,739	1,488	2,624	1,498	10
22.0	Transportation of things	57	7	0	7	0
23.1	Rental payments to GSA	8,690	8,044	0	8,100	56
23.3	Communications, utilities, and miscellaneous charges	2,004	1,134	0	1,141	7
24.0	Printing and reproduction	761	207	0	207	0
25.1	Advisory and assistance services	19,174	5,503	7,123	5,541	38
25.2	Other services	1,460	414	0	416	2
25.3	Other purchases of goods and services from Government accounts 1/	13,876	18,013	0	18,335	322
25.4	Operation and maintenance of facilities	423	19	0	19	0
25.7	Operation and maintenance of equipment	14,755	5,717	6,976	8,792	3075
26.0	Supplies and materials	876	621	0	624	3
31.0	Equipment	1,806	680	838	4,733	4053
42.0	Insurance claims and indemnities	221	45	0	45	0
	Total	172,323	130,463	54,700	147,906	17,443
	1/Other Purchases of Goods and Services From Government Accounts					
	Working Capital Fund	12,921	18,013	0	18,335	322
	DHS Services	626	0	0	0	0
	Census Services	329	0	0	0	0

NOTE: FY 2008 reflects actual FTE. Recovery Act funds support a total of 65 FTE in 2009 and 248 FTE in 2010.

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APPROPRIATION HISTORY (Dollars in Thousands)

	<u>Budget Estimates to Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>	<u>Direct FTE^{10/}</u>
2000.....	141,050	138,126	149,340	146,000	1,368
2001.....	159,311	146,000	156,158	158,863 <u>1/</u>	1,360
2002.....	161,078	161,863	161,078	161,031 <u>2/</u>	1,300
2003.....	170,996 <u>3/</u>	172,061	177,642	174,510 <u>4/</u>	1,257
2004.....	183,365	172,327	178,961	177,349 <u>5/</u>	1,214
2005.....	181,018	168,854	177,615	170,101 <u>6/</u>	1,142
2006.....	206,861	206,111	206,111	198,000 <u>7/</u>	1,051
2007.....	189,304	199,708	199,708	199,708	1,160
2008.....	216,162	170,500	185,505	172,323 <u>8/</u> <u>9/</u>	897
2009.....	144,011	0	131,153	130,463 <u>11/</u>	766
2010.....	147,906	0	0	0	0

1/ Reflects a reduction of \$295 pursuant to P.L. 106-554.

2/ Reflects reductions of \$444 pursuant to P.L. 107-116 and \$388 pursuant to P.L. 107-206.

3/ Reflects a reduction of \$1,065 pursuant to Budget Amendment adding \$4,465 for administrative costs associated with administering the Trade Adjustment Act of 2002 (P.L. 107-210) and reducing \$5,530 in costs no longer needed for administering National Emergency Grants.

4/ Reflects a .65% rescission.

5/ Reflects the Conference action including a rescission of 0.59% or \$1,142 pursuant to P.L. 108-199 and a Labor/HHS rescission of \$272 and includes \$5,000 transferred from the State Unemployment Insurance and Employment Service Operations appropriation for Foreign Labor Certification Activities.

6/ Reflects a reduction of \$910, pursuant to P.L. 108-447.

7/ Reflects a reduction of \$2,000,000, pursuant to P.L. 109-148. Also does not reflect the transfer of Job Corps' administrative resources (\$28,578,000 and 188 FTE) to Departmental Management Account.

8/ Reflects a 1.747% rescission.

9/ Includes Foreign Labor Certification (\$ 41,487).

10/ FTE numbers are ceilings, not actual FTE.

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

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Overview

Introduction

This budget request provides for the Federal administration of all Employment and Training Administration (ETA) programs. The FY 2010 Budget request of \$147,906,000 supports 812 direct full-time equivalent (FTE) staff. This represents an increase of \$17,443,000 from the FY 2009 enacted level. The request funds built-in increases and costs for the restoration of staff and non-personal services. Additionally, ETA estimates that four FTE and \$542,000 will be reimbursed by the Federal Emergency Management Agency (FEMA) to support disaster unemployment assistance (DUA) activities. The appropriation request is financed by both general revenues and transfers from the Unemployment Trust Fund.

The Recovery and Reinvestment Act (Recovery Act) significantly increased funding to the Workforce Invest Act (WIA), Community Service Employment for Older Americans (CSEOA), and Employment Service (ES) programs. The Act provided that up to 1 percent of these funds could be used for program administration. The Department has allocated \$54,700,000 of Recovery Act funds to the Program Administration account, supporting 65 FTE in 2009 and 248 FTE in 2010.

ETA finances staff for leadership, policy direction, and administration of the following programs authorized by WIA: Adults, Dislocated Workers, Youth, Workforce Information, National Activities, the Indian and Native American Program, and the Migrant and Seasonal Farmworker Program in their account. ETA also finances staff for Unemployment Insurance, the ES, CSEOA, Work Opportunity Tax Credits, Work Incentive Grants, the Trade Adjustment Assistance program, and the Office of Apprenticeship Training, Employer and Labor Services.

Cross-Budget Activity Initiative – Information Technology (IT) Systems Improvements:

ETA has made significant prior year investments in IT infrastructure such as workstations, local and wide area network data circuits and servers, operating systems and office automation software. This infrastructure supports all of the management activities described below by providing an efficient, coordinated and interlinked electronic platform for all ETA offices. Due to the aging and obsolescence of the existing equipment and software, ETA proposes to make a major IT infrastructure refresh in FY 2010 to prepare the Agency for the challenges of the next few years. In addition, ETA proposes to augment its capacity for IT planning and project management with establishment of a project management office. The details of this effort include:

To modernize mission critical IT infrastructure, and to comply with emerging IT architecture requirements, an increase of \$4,050,000 is requested. The Employment and Training Administration's IT infrastructure has aged to the point where a failure to update relevant aspects presents unacceptable risks to the performance of key systems. A recent inventory of ETA's servers indicates that 45 percent were "middle-aged" (purchased between 2004 and 2005) and 43 percent had reached their "end-of -life-cycle," purchased in 2003 or prior to 2003. Generally IT

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experts agree that servers “age-out” within three to five years of purchase. Applying this concept, 88 percent of ETA’s server stock should now be replaced. Failure to update this infrastructure to conform to contemporary standards elevates the risk of catastrophic failures that may disable major systems for extended periods of time. Additionally, the data center where ETA servers are located is not environmentally suited to maintain temperature control and does not have the capacity for further expansion of systems.

A similar risk of failure applies to the IT infrastructure that supports individual work stations. The inventory of desktop computers used by ETA staff has aged to point where their utility has diminished. 1,092 desktop computers currently in use are three years old or older. Computers this old are poorly equipped to handle contemporary applications that require significant processing power. Processing power requirements will continue to grow as the demand for computer-based solutions increases. New information security requirements and new utilities such as desktop video-conferencing and web-based interfaces will require new generation hardware.

Additionally, the agency’s video-conferencing network is about two generations old. The quality of image and audio transmission is poor, defeating the purpose of video-conferencing communications, i.e., to create a virtual “in-person” presence for all conference participants. Additionally, the agency’s existing equipment does not enable video-conferencing with entities outside the ETA network such as states, major grantees, and other stakeholders.

A deferral of these investments will extend the window of vulnerability that ETA’s IT environment is currently experiencing and may significantly increase the investment required in the future to update these systems.

To provide for increased IT contractual support for mission critical IT infrastructure, management information system and IT security \$3,040,000 is requested. As ETA’s IT environment has expanded, the staff requirements to maintain high standards of quality assurance, configuration management and IT security have expanded as well. Likewise, effective management of a large-scale IT environment requires adequately staffed applications development, operations and maintenance and Help Desk services. These services are staffed primarily by contract staff. Budget constraints in FY 2008 and FY 2009 caused nearly a 50 percent reduction in these staff resulting in significantly extended Help Desk response times and a reduced ability to engage in testing needed to deliver high quality applications. Further, staffing issues have increased the time required to resolve audit findings related the capacity of the agency’s IT systems to maintain adequate security controls.

Additionally, the need for contract staff support has increased as analytical and documentation requirements associated with government-wide and department-wide enterprise architecture and grants management have increased. While ETA strategy is to increase the ratio of federal to contract staff on an accelerated schedule, current workload demands require an immediate increase in contract staff in order to meet a minimum threshold of quality and compliance in various workload areas.

ADULT SERVICES

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	50,392	51,061	669	38,665	55,662	4,601
FTE	272	259	-13	174	266	7

NOTE: FY 2008 reflects actual FTE. Authorized FTE for FY 2008 was 267.

Introduction

The budget request provides for the Federal administration of Adult Services, which includes: Workforce Investment Act (WIA) Adult and Dislocated Worker employment and training activities, WIA national activities, the Indian and Native American program, the Migrant and Seasonal Farmworker program, the Community Service Employment for Older Americans program, expanded Trade Adjustment Assistance program, and indirect staff support.

WIA Adult Employment and Training Activities

WIA Adult Employment and Training activities provide core services, intensive services, and training and supportive services for individuals seeking employment. The Federal staff negotiates and administers grants, prepares program guidance, monitors program implementation, oversees the reporting system, tracks grantee performance, provides technical assistance to grantees, and oversees distribution of program resources. The staff also develops and operates web tools that provide workforce information to job seekers, workers, and employers.

WIA Dislocated Worker Employment and Training Activities

WIA Dislocated Worker Employment and Training activities provide core services, intensive services, training and supportive services for workers who lose their jobs in mass layoffs or plant closings, and others who have been laid off and are unlikely to return to their jobs. The Federal staff negotiates and administers grants, prepares program guidance, monitors program implementation, oversees the reporting system, tracks grantee performance, provides technical assistance to grantees, and oversees distribution of program resources.

Indian and Native American Program

The Indian and Native American program works to provide quality employment and training services to Native American communities in ways that are consistent with the traditional cultural values and beliefs of the people in these communities. The Federal staff managing this program conducts a variety of activities including: administering and negotiating grants, preparing program guidance, monitoring program implementation, overseeing the reporting system, tracking grantee performance with outcome measures, providing technical assistance for grantees, reviewing grant plans, and overseeing the distribution of program resources.

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Community Service Employment for Older Americans Program

The Federal staff managing Community Service Employment for Older Americans, a community service and work-based training program for older workers, conducts a variety of activities including: negotiating and administering grants, preparing program guidance, monitoring program implementation, overseeing the reporting system, tracking grantee performance versus program measures, providing technical assistance to grantees, reviewing State Senior Employment Coordination Plans, and overseeing the distribution of program resources. In addition, staff members act as resources on a broad range of issues impacting older workers and undertake outreach efforts to employers, such as National Employ Older Workers Week.

Trade Adjustment Assistance

Under the expanded Trade Adjustment Assistance (TAA) program, workers displaced by international trade may receive training, trade readjustment allowances, job search, relocation allowances, and employment and case management services. In addition, individuals certified under the Alternative Trade Adjustment Assistance program for older workers receive a wage subsidy. These services and benefits are funded out of the Federal Unemployment Benefits and Allowances account. The Federal staff administering TAA conducts worker group eligibility determinations and petition investigations, develops program policy and guidance, and makes grant awards.

Migrant and Seasonal Farmworker Program

The Migrant and Seasonal Farmworker program provides training and employment services to economically disadvantaged persons who are primarily dependent on agricultural labor employment for their livelihood. The Federal staff assigned to this program conducts grants management and provides guidance and oversight to the integration initiatives required to serve farmworkers effectively through the One-Stop Career Center system.

Indirect Staff Support

The Adult Services activity in the program administration account provides funding for the costs of Federal staff members in the Department's Office of Financial and Administrative Management and Office of Performance and Technology who provide administrative support to the Adult programs described above. These administrative services include grants and contract management, financial management, budget oversight, information technology, and performance management.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2005	45,775	265
2006	51,041	281
2007	51,288	276
2008	50,392	267
2009	51,061	259

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

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FY 2010

The 2010 Budget requests \$55,662,000 for 266 FTE to administer ETA's Adult-focused programs. This is an increase of \$4,601,000 from the FY 2009 enacted level which includes: an increase of 3 FTEs and \$600,000 to establish a new executive office for TAA as required by the Trade and Globalization Adjustment Assistance Act of 2009; 3 FTE and \$510,000 to support regional technical assistance and oversight of Adult activities; 1 FTE and \$170,000 to support IT activities; and \$2,395,000 to modernize hardware and IT contractual support. The additional IT staff will support the ETA-wide IT Systems Improvements discussed above. Additionally, \$926,000 is for mandatory built-in increases.

FY 2009

The FY 2009 budget provides for 259 direct FTE staff and \$51,061,000. The appropriation request is financed by both General Revenue and Trust Funds for FY 2009. The FY 2009 appropriation is \$6,138,000 less than the FY 2009 request. Due to FY 2009 enacted funding level and the increase in Federal salary authorized by Congress, ETA will make reductions in grant monitoring, travel, IT modernization, and contract staff.

Recovery Act

The American Reinvestment and Recovery Act (Recovery Act) directed that 1 percent of Adult Services funding be used for program administration. Adult Services received transfers totaling \$38,665,000, of which \$32,790,000 to administer Adult Formula Grants, Dislocated Workers' Formula Grants, WIA National Reserve National Emergency Grants, Community Service Employment For Older Americans Formula Grants and the High Growth/ Green Jobs Grants, and \$5,875,000 to administer TAA Expansion program. The administrative functions are mainly focused on grant processing, management and oversight. The Recovery Act will require new procedures and systems to track sub-recipient information and resources will be needed to develop and implement new reporting requirements.

FY 2008

The FY 2008 budget provided for 267 direct FTE staff and \$50,392,000. The appropriation was financed by both General Revenue and Trust Funds for FY 2008.

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BUDGET ACTIVITY by OBJECT CLASS						
(Dollars in Thousands)						
		FY 2008 Enacted	FY 2009 Enacted	Recovery Act	FY 2010 Request	Change FY 10 Req / FY 09 Enacted
11.1	Full-time permanent	27,562	25,748	3,254	27,505	1,757
11.3	Other than full-time permanent	637	429	16,823	441	12
11.5	Other personnel compensation	668	1,164	522	1,197	33
11.8	Special personal services payments	46	0	0	124	124
11.9	Total personnel compensation	28,913	27,341	20,599	29,267	1,926
12.0	Civilian personnel benefits	7,138	7,313	5,189	7,463	150
13.0	Benefits for former personnel	26	13	0	13	0
21.0	Travel and transportation of persons	983	582	1,789	586	4
22.0	Transportation of things	17	3	0	3	0
23.1	Rental payments to GSA	2,875	3,114	0	3,136	22
23.3	Communications, utilities, and miscellaneous charges	651	444	0	447	3
24.0	Printing and reproduction	283	81	0	81	0
25.1	Advisory and assistance services	1,904	2,153	4,621	2,168	15
25.2	Other services	540	162	0	163	1
25.3	Other purchases of goods and services from Government accounts 1/	3,538	7,084	0	7,180	96
25.4	Operation and maintenance of facilities	45	7	0	7	0
25.7	Operation and maintenance of equipment	2,714	2,237	5,808	3,277	1,040
26.0	Supplies and materials	208	243	0	244	1
31.0	Equipment	472	266	659	1,609	1,343
42.0	Insurance claims and indemnities	85	18	0	18	0
Total		50,392	51,061	38,665	55,662	4,601
1/Other Purchases of Goods and Services From Government Accounts						
	Working Capital Fund	3,248	7,084	0	7,180	96
	DHS Services	164	0	0	0	0
	Census Services	126	0	0	0	0

ADULT SERVICES

CHANGES IN FY 2010

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	786
Personnel benefits	50
Federal Employees Compensation Act (FECA)	-40
Travel	4
GSA Space Rental	22
Communications, utilities & miscellaneous charges	3
Advisory and assistance services	15
Other services	1
Working Capital Fund	-20
Purchase of goods and services from other Government accounts	116
Operation and maintenance of equipment	13
Supplies and materials	1
Equipment	1
Built-Ins Subtotal	952

Net Program	3,649
Direct FTE	7

	Estimate	FTE
Base	52,013	259
Program Increase	3,649	7

YOUTH SERVICES

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	10,789	10,932	143	7,910	12,558	1,626
FTE	63	62	-1	36	67	5

NOTE: FY 2008 reflects actual FTE. Authorized FTE for FY 2008 was 64.

Introduction

The budget request provides for the Federal administration of Youth Services, including Workforce Investment Act (WIA) Youth employment and training activities and YouthBuild.

WIA Youth Activities

The WIA Youth program provides grants to states and local areas to operate an array of services to assist economically disadvantaged youth, out-of-school youth, and youth aging out of foster care in achieving academic and work skills. This budget activity in the program administration account finances staff for the Division of Youth Services. The Federal staff assigned to this division administers and negotiates grants, prepares program guidance, monitors program implementation, oversees the reporting system, tracks grantee performance, provides technical assistance to grantees, and oversees distribution of program resources. The staff also coordinates Federal activities that serve youth with Federal agency partners, such as the Employment and Training Administration's (ETA) work leading the interagency Shared Youth Vision.

The YouthBuild program provides grants for job training and educational opportunities for at-risk youth who help construct or rehabilitate housing for low-income or homeless families and individuals in their communities. Participants in YouthBuild receive a combination of classroom and job skills development and on-site training in a construction trade. The Federal staff which administers YouthBuild negotiates and administers grants, prepares program guidance, monitors program implementation, oversees the reporting system, tracks grantee performance, provides technical assistance to grantees, and oversees distribution of program resources.

Indirect Staff Support

The Youth Services activity in the Program Administration account also provides funding for the costs of staff in the Department's Office of Financial and Administrative Management and Office of Performance and Technology to provide administrative management for Youth programs. Administration activities include grants and contract management, financial management, budget oversight, information technology, and performance management.

YOUTH SERVICES

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2005	39,627	264
2006	38,417	253
2007	10,776	61
2008	10,789	64
2009	10,932	62

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

FY 2010

The FY 2010 Budget request of \$12,558,000 will support 67 FTE staff. This represents an increase of \$1,626,000 from the FY 2009 enacted level which includes: 3 FTE and \$510,000 to support regional technical assistance and oversight of Youth activities; 2 FTE and \$340,000 to support IT activities; and \$574,000 to modernize hardware and IT contractual support. The additional IT staff will support the ETA-wide IT Systems Improvements discussed above. Additionally, \$202,000 is for mandatory built-in increases.

FY 2009

The FY 2009 budget provides for 62 direct FTE staff and \$10,932,000. The appropriation request is financed by General Revenue funds. The FY 2009 appropriation is \$2,000,000 less than the FY 2009 request. As a result of this reduction and the increase of Federal salary authorized by Congress, ETA will make reductions in grant monitoring, travel, IT modernization and contract staff.

Recovery Act

The American Reinvestment and Recovery Act (Recovery Act) directed that 1 percent of Youth Services funding be used for program administration. Youth Services received transfers of \$7,910,000 to administer Youth Formula Grants and YouthBuild Grants. The administrative functions are mainly focused on grant processing, management and oversight. The Recovery Act will require new procedures and systems to track sub-recipient information and resources will be needed to develop and implement new reporting requirements.

FY 2008

The FY 2008 budget provided for 64 direct FTE staff and \$10,789,000. The appropriation was financed by General Revenue funds.

YOUTH SERVICES

BUDGET ACTIVITY by OBJECT CLASS						
(Dollars in Thousands)						
		FY 2008 Enacted	FY 2009 Enacted	Recovery Act	FY 2010 Request	Change FY 10 Req / FY 09 Enacted
11.1	Full-time permanent	5,902	5,510	377	6,337	827
11.3	Other than full-time permanent	136	92	3,764	95	3
11.5	Other personnel compensation	153	249	135	256	7
11.9	Total personnel compensation	6,191	5,851	4,276	6,688	837
12.0	Civilian personnel benefits	1,528	1,566	1,068	1,568	2
13.0	Benefits for former personnel	5	3	0	178	175
21.0	Travel and transportation of persons	210	125	564	126	1
22.0	Transportation of things	4	1	0	1	0
23.1	Rental payments to GSA	616	774	0	779	5
23.3	Communications, utilities, and miscellaneous charges	139	95	0	96	1
24.0	Printing and reproduction	61	17	0	17	0
25.1	Advisory and assistance services	408	461	1,004	464	3
25.2	Other services	115	35	0	35	0
25.3	Other purchases of goods and services from Government accounts 1/	758	1,410	0	1,437	27
25.4	Operation and maintenance of facilities	10	2	0	2	0
25.7	Operation and maintenance of equipment	581	479	869	728	249
26.0	Supplies and materials	44	52	0	52	0
31.0	Equipment	101	57	129	383	326
42.0	Insurance claims and indemnities	18	4	0	4	0
Total		10,789	10,932	7,910	12,558	1,626
1/Other Purchases of Goods and Services From Government Accounts						
	Working Capital Fund	695	1,410	0	1,437	27
	DHS Services	35	0	0	0	0
	Census Services	28	0	0	0	0

YOUTH SERVICES

CHANGES IN FY 2010

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	162
Personnel benefits	11
Federal Employees Compensation Act (FECA)	-9
Travel	1
GSA Space Rental	5
Communications, utilities & miscellaneous charges	1
Advisory and assistance services	3
Working Capital Fund	-10
Purchase of goods and services from other Government accounts	37
Operation and maintenance of equipment	3

Built-Ins Subtotal **204**

Net Program **1,422**

Direct FTE **5**

	Estimate	FTE
Base	11,136	62
Program Increase	1,422	5

WORKFORCE SECURITY

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	40,411	38,945	-1,466	8,125	43,236	4,291
FTE	302	271	-31	38	277	6

NOTE: For display purposes, Foreign Labor Certification (FLC) funding is not included in FY 2008. FLC funds were appropriated in this account in FY 2008, but are now appropriated in SUIESO and are displayed there.

Introduction

The budget request provides for the Federal administration of the Workforce Security Program.

Unemployment Insurance

Program Administration resources will be used to provide Federal leadership, legislative and performance oversight, policy guidance, technical assistance, legislative support, and grants management to States in operation of their Unemployment Compensation (UC) programs. Resources will also be used for Federal budget and policy development and to collect, analyze, and publish data related to state UC programs which are used for economic analysis and program oversight. Strong program performance is a key objective for the Unemployment Insurance program and resources will be applied to measuring, evaluating, and improving performance.

Employment Service Grants to States

Employment Service (ES) Federal staff provides leadership, policy guidance and direction, technical assistance, training, and oversight for the operation of the national public ES system through state offices and local One-Stop Career Centers. These major responsibilities involve the Federal administration of Wagner-Peyser Act activities and other legislated mandates. Regional Offices provide oversight and technical assistance at the state and local levels.

Employment Service National Activities: Foreign Labor Certification

Funding for administration of Foreign Labor Certification programs formerly provided in this account are now requested in the State Unemployment Insurance and Employment Service Operations (SUIESO) account.

Employment Service National Activities: TAT/SWA and WOTC

This budget request includes administrative funding for Technical Assistance and Training activities and the Federal contribution to State Workforce Agency Retirement Systems. This budget request also includes funding for overseeing and implementing the Work Opportunity Tax Credit Program. Federal staff provides both states and employers with policy guidance and training on the Work Opportunity Tax Credit Program.

WORKFORCE SECURITY

Workforce Information/National Electronic Tools/System Building

Program Administration funding for the Workforce Information/National Electronic Tools/System Building budget activity supports the operation and management of information and tools for the workforce investment system, including America's Career Information Network, Career Voyages, and O*NET. Specific activities include developing policy guidance, issuing grants and grants management which includes monitoring, technical assistance, identification of model approaches, performance management, and corrective action.

Indirect Staff Support

The Workforce Security activity in the program administration account also provides funding for the costs staff in the Department's Office of Financial and Administrative Management and Office of Performance and Technology to provide administrative services that benefit Workforce Security programs. These services include grants and contract management, financial management, budget oversight, information technology, and performance management.

Funding Mechanism

Funding for the Office of Foreign Labor Certification derives from three sources: dollars appropriated as part of ETA's Program Administration Account and apportioned each fiscal year by the Office of Management and Budget under Category B; 5 percent of revenue from the H-1B fees collected by the Department of Homeland Security (this 5 percent supports labor certification processing activities and is separate from the DOL portion of H-1B funding allocated to U.S. worker training); and a portion of appropriations under the State Unemployment Insurance Employment Service Operations (SUIESO) Account, which ETA distributes to states as fiscal year formula grants. Funding for Foreign Labor Certification is being requested in a separate account for FY 2009.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2005	54,280	436
2006	78,091	419
2007	78,467	412
2008	81,898	387
2009	38,945	271

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

FY 2010

The FY 2010 Budget request of \$43,236,000 will support 277 FTE staff. This represents an increase of \$4,291,000 and 6 FTE from the FY 2009 enacted level. This increase provides 4 FTE and \$680,000 to support regional technical assistance and oversight of Workforce Security activities, 2 FTE and \$340,000 to support IT activities, and \$2,508,000 to modernize hardware

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and IT contractual support. The additional IT staff will support the ETA-wide IT Systems Improvements discussed above. Additionally, \$763,000 is for mandatory built-in increases.

FY 2009

The FY 2009 budget provides 271 direct FTE staff and \$38,945,000. The appropriation request is financed by both General Revenue and Trust Funds. In FY 2009, Foreign Labor Certification was moved to the SUIESO account. The FY 2009 appropriation (excluding Foreign Labor Certification) is \$1,783,000 less than the FY 2009 request. As a result of this reduction and the increase of Federal salary authorized by Congress, ETA will make reductions in grant monitoring, travel, IT modernization and contract staff.

Recovery Act

The American Reinvestment and Recovery Act (Recovery Act) directed that 1 percent of Workforce Security funding be used for program administration. Workforce Services received transfers of \$4,000,000 to administer Employment Service (Wagner-Peyser Act) Formula Grants and \$4,125,000 to administer Extended UI Benefits program as well as UI Expansion program. The administrative functions are mainly focused on grant processing, management and oversight. The Recovery Act will require new procedures and systems to track sub-recipient information and resources will be needed to develop and implement new reporting requirements.

FY 2008

The FY 2008 budget provided 387 direct FTE staff and \$81,898,000. The appropriation was financed by both General Revenue and Trust Funds. Foreign Labor Certification was included in this account in FY 2008.

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BUDGET ACTIVITY by OBJECT CLASS						
(Dollars in Thousands)						
		FY 2008 Enacted	FY 2009 Enacted	Recovery Act	FY 2010 Request	Change FY 10 Req / FY 09 Enacted
11.1	Full-time permanent	22,103	19,637	1,240	20,965	1,328
11.3	Other than full-time permanent	511	327	3,470	336	9
11.5	Other personnel compensation	573	888	63	913	25
11.9	Total personnel compensation	23,187	20,852	4,773	22,214	1,362
12.0	Civilian personnel benefits	5,724	5,577	1,234	5,724	147
13.0	Benefits for former personnel	20	10	0	80	70
21.0	Travel and transportation of persons	788	444	271	447	3
22.0	Transportation of things	13	2	0	2	0
23.1	Rental payments to GSA	2,306	2,256	0	2,272	16
23.3	Communications, utilities, and miscellaneous charges	522	339	0	341	2
24.0	Printing and reproduction	227	62	0	62	0
25.1	Advisory and assistance services	1,527	1,643	1,498	1,654	11
25.2	Other services	433	124	0	125	1
25.3	Other purchases of goods and services from Government accounts 1/	2,837	5,522	0	5,655	133
25.4	Operation and maintenance of facilities	36	6	0	6	0
25.7	Operation and maintenance of equipment	2,177	1,707	299	2,793	1,086
26.0	Supplies and materials	167	185	0	186	1
31.0	Equipment	378	203	50	1,662	1,459
42.0	Insurance claims and indemnities	69	13	0	13	0
Total		40,411	38,945	8,125	43,236	4,291
1/Other Purchases of Goods and Services From Government Accounts						
	Working Capital Fund	2,604	5,522	0	5,655	133
	DHS Services	131	0	0	0	0
	Census Services	102	0	0	0	0

WORKFORCE SECURITY

CHANGES IN FY 2010

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	552
Personnel benefits	38
Federal Employees Compensation Act (FECA)	-31
Travel	3
GSA Space Rental	16
Communications, utilities & miscellaneous charges	2
Advisory and assistance services	11
Other services	1
Working Capital Fund	-30
Purchase of goods and services from other Government accounts	163
Operation and maintenance of equipment	10
Supplies and materials	1
Equipment	1
Built-Ins Subtotal	737

Net Program	3,554
Direct FTE	6

	Estimate	FTE
Base	39,682	271
Program Increase	3,554	6

APPRENTICESHIP

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	21,166	21,447	281	0	27,784	6,337
FTE	130	127	-3	0	155	28

NOTE: FY 2008 reflects actual FTE. Authorized FTE for FY 2008 was 127.

Introduction

The Employment and Training Administration's (ETA) Office of Apprenticeship (OA) administers the National Apprenticeship Act of 1937 (NAA), which established the foundation for developing and expanding the nation's skilled workforce through registered apprenticeship programs and produces standards for safeguarding the welfare of apprentices. Often referred to as the Fitzgerald Act, the NAA created a comprehensive system of partnerships among business, labor, education, and government which have shaped skill training through apprenticeship for succeeding generations of American workers.

Registered apprenticeship entails a combination of on-the-job learning and related technical and theoretical instruction in a skilled occupation. Apprenticeship programs are registered with ETA or federally-recognized State Apprenticeship Councils/Agencies (SAAs). Through apprenticeship agreements, sponsors and apprentices agree to the requirements of the registered program. Apprenticeship programs are sponsored and operated on a voluntary basis by individual employers, employer associations, or partnerships between employers and labor unions. All registered apprenticeship programs develop a set of structured standards that include course work and on-the-job learning with appropriate supervision. At the successful completion of the on-the-job learning and instructional training, apprentices receive a portable and nationally-recognized certificate of completion from ETA or an SAA. Annually, almost 30,000 program sponsors representing 225,000 distinct employers offer registered apprenticeship training to more than 300,000 apprentices.

The Federal government, in cooperation with the states, is responsible for overseeing the nation's apprenticeship system by:

- Registering apprenticeship programs that meet Federal standards;
- Issuing apprentices nationally recognized and portable certificates of completion;
- Promoting the development and recognition of new programs and occupations;
- Assuring that all programs provide high quality learning;
- Assuring that all programs produce skilled and competent workers;
- Promoting integration and coordination of apprenticeship with the workforce investment system; and
- Providing equal opportunity for individuals – including women and minorities – to participate in apprenticeship programs.

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The current Federal/State partnership is based on the Secretary of Labor's recognition of SAAs as the entities for state registration and/or approval of local apprenticeship programs and agreements for Federal purposes.

As a result of the Department's program assessment conducted on Registered Apprenticeship in 2005, ETA began to measure apprenticeship performance using indicators of retention and average wage gains for apprentices employed nine months after registration. The retention results for FY 2006, FY 2007, and FY 2008 continue a three-year trend of improvement since the baseline was established in FY 2005. Average wage gains increased for FY 2006 and FY 2007, but declined in FY 2008 due to a sharp decline in construction, which is the largest industry employer of registered apprentices. Using a regression model, new performance goals were established from FY 2008 through FY 2010. ETA applied the Dislocated Worker estimates to the apprenticeship retention measure to take the current recession into consideration.

In FY 2009, OA is converting to the common measures framework by measuring outcomes after apprentices have completed a program and using definitions for entered employment rate and average earnings that are consistent with those used by other workforce programs.

Funding Mechanism

The funds appropriated in support of the mission and functions of ETA's Office of Apprenticeship (OA) are administered from the Agency's Salaries & Expenses, Program Administration account. OA has direct line item responsibility for travel, awards, and supplies. The Salaries & Expenses allocation supports the National Office and the six Regional Offices, along with salaries and expenses to support 132 Full-Time Equivalent staff and 78 field offices. OA program responsibilities include staff promotional activities, outreach and education, and technical assistance provided to new and existing sponsors to develop, register, and maintain apprenticeship programs and apprentices. OA is also responsible for providing technical assistance to 25 State Apprenticeship Agencies.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2005	21,136	170
2006	21,438	170
2007	21,542	167
2008	21,166	127
2009	21,447	127

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

FY 2010

The budget requests a total of \$27,784,000 and 155 FTE, which represents a program increase of \$5,937,000 and mandatory increases of \$400,000 over the 2009 funding level. ETA will reallocate 27 indirect FTE at a cost of \$4,590,000 to more accurately align the overhead

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distribution across ETA's budget activities. Additionally, \$1,177,000 is included to modernize hardware and IT contractual support and 1 FTE and \$170,000 to support IT activities. The additional IT staff will support the ETA-wide IT Systems Improvements discussed above.

Revised Regulatory Framework

On October 28, 2008, ETA published a Final Rule revising regulations for standards for registration of apprenticeship programs. The rule took effect on December 29, 2008, and provides SAAs with up to an additional two years from the effective date to implement necessary changes. ETA will continue to provide technical assistance and direction to the registered apprenticeship, workforce investment and education systems about 21st century apprenticeship system as embodied in the final, revised regulations. Beginning in FY 2010, ETA will issue final program guidance, and will provide technical assistance to SAAs as they seek recognition under the revised regulations. Additionally, in FY 2010, OA staff will assume new functions and responsibilities associated with the final rule, including conducting additional quality reviews for new programs that are provisionally registered, and developing and registering competency-based or hybrid programs. A competency-based program requires an apprentice to successfully demonstrate acquired skills and knowledge, as verified by the program sponsor, with an on-the-job learning component and related technical instruction (RTI). A hybrid program requires the apprentice to complete a specified minimum number of on-the-job-learning hours and RTI hours to demonstrate competency in the defined subject areas. In FY 2010, ETA will also begin to explore options for updating the regulations to better encompass equal employment opportunity in apprenticeship and training.

Economic Recovery and Strategic Partnerships

ETA will build on its recent integration efforts to include an additional focus on re-employment efforts to support economic recovery. Over the past few years, ETA has issued policy guidance and hosted "Action Clinics" to promote further integration between education, workforce and registered apprenticeship. These efforts will continue in FY 2010 and will shift to focus on partnerships that can support reemployment and recovery strategies that leverage registered apprenticeship.

Green Jobs

The Office of Apprenticeship is supporting ETA's Green Jobs Innovation Fund to prepare workers for emerging green jobs and to identify career pathways that support underrepresented populations.

A significant portion of the Green Jobs Innovation Fund will be awarded through a competitive process designed to expand and recognize green pre-apprenticeship programs and link these programs to Registered Apprenticeship programs, community colleges, and other qualified training programs.

Building off of green Registered Apprenticeships funded through the Recovery Act, the pre-apprenticeships will target underrepresented and disadvantaged populations. The grants will

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facilitate agreements between pre-apprenticeship and Registered Apprenticeship program sponsors to facilitate the “transfer” of pre-apprenticeship experience and learning into “credit” towards the completion of a Registered Apprenticeship program; much like articulation agreements used between Registered Apprenticeship programs and institutions of higher learning. Recognizing this transfer of experience will facilitate entry into Registered Apprenticeship programs, particularly by underrepresented and disadvantaged populations. In conjunction with these grants, ETA will “certify” the pre-apprenticeship programs that meet the Registered Apprenticeship program sponsors’ minimum requirements for participants to enter Registered Apprenticeship.

In FY 2010, OA will provide technical assistance and support to national organizations that will be awarded grants in FY 2009 to expand apprenticeship into new and emerging industries, including those with emerging green jobs and existing occupations that are adding new green elements.

Expand and Formalize Pre-Apprenticeship

ETA is seeking to increase partnerships and support for pre-apprenticeship programs that meet national guidelines established by industry and will ensure that individuals participating in a nationally certified pre-apprenticeship program meet all the requirements for selection into available Registered Apprenticeship openings. As appropriate, direct entry and advanced placement could be granted for participants. Participation would be targeted to populations that have not traditionally benefitted from Registered Apprenticeship or require additional assistance in order to qualify for available apprenticeship opportunities.

FY 2009

For the first half of FY 2009, ETA has registered 627 new apprenticeship programs and 30,515 new apprentices, and has completed 354 equal employment opportunity compliance reviews and 811 quality reviews. Other significant activities and initiatives for FY 2009 include:

- Publication on October 28, 2008, of the final rule to revise apprenticeship regulations;
- Provision of technical assistance and support for implementation and training on the revised regulations;
- Publication of the “Advancing 21st Century Registered Apprenticeship” Solicitation for Grant Applications (SGA), which will provide funding for up to 20 grants to national organizations to train staff, apprenticeship instructors, and members on 21st century Registered Apprenticeship regulatory framework;
- Continued expansion into new and emerging industries and occupations, particularly in health care, green industries, and advanced manufacturing;
- Hosted a series of three Action Clinics, “Collaborate for Success: Partnering with Registered Apprenticeship,” which supported teams of state and local professionals from the workforce system, the Registered Apprenticeship system, education partners, and other key stakeholders as they develop and implement innovative approaches to leverage Registered Apprenticeship as a key talent development strategy in their states’ workforce system; and

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- Completed the final year of five-year plan to conduct Equal Employment Opportunity Compliance Reviews of 90 percent of apprenticeship programs with five or more apprentices registered with ETA, and also conduct Quality Assessment Reviews of 90 percent of all apprenticeship programs registered with ETA. Since FY 2005, over 2,400 equal opportunity compliance reviews have been completed, along with 5,475 quality reviews.

The FY 2009 budget provides for 127 direct FTE staff and \$21,447,000. The appropriation request is financed by General Revenue for FY 2009.

Recovery Act

Registered Apprenticeship will be a critical partner in the successful launch and implementation of the High Growth Solicitation for Grant Applications to be funded through the Recovery Act. OA is also working with other federal partners, particularly General Services Administration, Department of Housing and Urban Development, and the Environmental Protection Agency to leverage Recovery Act funding that can utilize Registered Apprenticeship to train and employ workers, particularly in green industries.

FY 2008

Significant initiatives and results for FY 2008 include:

- Publication of Notice of Proposed Rulemaking (NPRM) on December 13, 2007, and analysis of public comments received on the NPRM, which culminated in publication of Final Rule in FY 2009;
- Continuous improvement to management and programmatic elements of the National Apprenticeship System by implementing a major re-design of registered apprenticeship data management system, and completing 816 Equal Employment Opportunity Compliance reviews and 1687 Quality Reviews;
- Registration of 1687 new programs by OA staff, with a focus on expanding Registered Apprenticeship into industries and occupations that have not traditionally used the National Apprenticeship System;
- Hosted two meetings of the Secretary's Advisory Committee on Apprenticeship to leverage stakeholder support for Departmental efforts to modernize the National Apprenticeship System; and
- Hosted celebrations and raised awareness of the 70th Anniversary of National Apprenticeship Act at Workforce Innovations 2007.

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WORKLOAD SUMMARY (Dollars in Thousands)			
	FY 2008 Actual	FY 2009 Target	FY 2010 Target
Office of Apprenticeship			
Apprentices	306,491	306,491	326,674
Full Time Equivalent	135	127	155
EEO Reviews	816	734	807
Quality Reviews	1687	1324	1456
New Programs	1286	1286	1366
Quality Reviews conducted for one year after provisional registration for new programs registered after December 28, 2008 (effective date for revised regulations)	Not applicable	Not applicable	1286
Cost per Apprentice	\$69.06	\$69.98	\$85.05
Budget Activity Total	\$21,166	\$21,447	\$27,784

EEO reviews, Quality Reviews and New Program estimates are based on number of FTEs authorized to OA.
Apprentices are based on Budget Activity Total.

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PERFORMANCE GOAL INDICATORS

Improve the registered apprenticeship system to meet the training needs of business and workers in the 21st Century.											
	FY 2005		FY 2006		FY 2007		FY 2008		FY2009	FY2010	FY 2011
	Goal Achieved		Goal Achieved		Goal Achieved		Goal Not Achieved				
Performance Indicator	Target	Result	Target	Result	Target	Result	Target	Results	Target	Target	Target
1. Retention: Percent of those employed nine months after registration as an apprentice.	Baseline	78%	78%	82%	79%	83%	84%	84%	81.6%	81.4%	82.0%
2. Earnings: Average wage gain for tracked entrants* employed in the first quarter after registration and still employed nine months later.	Baseline	\$1.26	\$1.26	\$1.32	\$1.33	\$1.50	\$1.51	\$0.61	\$0.61--	\$0.61	\$0.61
3. Entered Employment Rate	--	--	--	--	--	--	--	--	TBD	TBD	TBD
4. Average Earnings	--	--	--	--	--	--	--	--	TBD	TBD	TBD
Baseline(s): TBD – to be determined by baseline data collection from the Wage Record Interchange System.											
Data Source(s): Registered Apprenticeship Information System (RAIS), Registered Apprenticeship Partners Information Data System (RAPIDS) *FY 2008 results for tracked entrants are from the October 31, 2007 reporting period.											
Comments: Beginning in FY 2006, OA began recording results against new measures of retention and wage gain for tracked entrants, defined as the cohort of apprentices registered and entered into RAIS (and subsequently RAPIDS) during a given reporting period. To measure outcomes after apprentices have completed the program, OA is converting to the common measures and will baseline its performance indicators in FY 2009 using data from the Wage Record Interchange System. Thirty-two states enter data on registered programs and apprentices into the RAPIDS. FYs 2009-2011 targets are adjusted estimates based on regression analysis that takes into account participant performance with the conditions of the local labor markets using the unemployment rates collected by local workforce investments areas. The target adjustments were made using the WIA Dislocated Worker regression model established as result of the current recession because of the demographic similarities.											

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BUDGET ACTIVITY by OBJECT CLASS						
(Dollars in Thousands)						
		FY 2008 Enacted	FY 2009 Enacted	Recovery Act	FY 2010 Request	Change FY 10 Req / FY 09 Enacted
11.1	Full-time permanent	11,577	10,815	0	14,907	4,092
11.3	Other than full-time permanent	268	180	0	185	5
11.5	Other personnel compensation	300	489	0	503	14
11.9	Total personnel compensation	12,145	11,484	0	15,595	4,111
12.0	Civilian personnel benefits	2,998	3,071	0	4,022	951
13.0	Benefits for former personnel	11	5	0	40	35
21.0	Travel and transportation of persons	413	245	0	247	2
22.0	Transportation of things	7	1	0	1	0
23.1	Rental payments to GSA	1,208	1,329	0	1,338	9
23.3	Communications, utilities, and miscellaneous charges	273	186	0	187	1
24.0	Printing and reproduction	119	34	0	34	0
25.1	Advisory and assistance services	800	905	0	911	6
25.2	Other services	226	68	0	68	0
25.3	Other purchases of goods and services from Government accounts 1/	1,486	2,955	0	2,992	37
25.4	Operation and maintenance of facilities	19	3	0	3	0
25.7	Operation and maintenance of equipment	1,140	940	0	1,450	510
26.0	Supplies and materials	87	102	0	103	1
31.0	Equipment	198	112	0	786	674
42.0	Insurance claims and indemnities	36	7	0	7	0
Total		21,166	21,447	0	27,784	6,337
1/Other Purchases of Goods and Services From Government Accounts						
	Working Capital Fund	1,364	2,955	0	2,992	37
	DHS Services	69	0	0	0	0
	Census Services	53	0	0	0	0

APPRENTICESHIP

CHANGES IN FY 2010

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	333
Personnel benefits	21
Federal Employees Compensation Act (FECA)	-17
Travel	2
GSA Space Rental	9
Communications, utilities & miscellaneous charges	1
Advisory and assistance services	6
Working Capital Fund	-10
Purchase of goods and services from other Government accounts	47
Operation and maintenance of equipment	6
Supplies and materials	1
Equipment	1
Built-Ins Subtotal	400

Net Program	5,937
Direct FTE	28

	Estimate	FTE
Base	21,847	127
Program Increase	5,937	28

EXECUTIVE DIRECTION

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	8,078	8,078	0	0	8,666	588
FTE	55	47	-8	0	47	0

NOTE: FY 2008 reflects actual FTE. Authorized FTE for FY 2008 was 52.

Introduction

The budget request provides for the Federal administration of Executive Direction. The staff funded under Executive Direction provides leadership and policy direction for every area of the Employment and Training Administration. Efforts under Executive Direction include program research, evaluation, pilot projects and demonstrations, as well as program management and legislative relations. These activities are administered through ETA's Office of the Assistant Secretary and the Office of Policy Development and Research.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2005	8,910	57
2006	9,013	57
2007	9,057	56
2008	8,078	52
2009	8,078	47

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

FY 2010

The FY 2010 budget request of \$8,666,000 will support 47 FTE staff. This represents an increase of \$588,000. This increase includes \$437,000 to modernize hardware and IT contractual support as discussed above. Additionally, \$151,000 is for mandatory built-in increases.

FY 2009

The FY 2009 budget provides for 47 direct FTE staff and \$8,078,000. The appropriation request is financed by both General Revenue and Trust Funds.

FY 2008

The FY 2008 budget provided for 52 direct FTE staff and \$8,078,000. The appropriation was financed by both General Revenue and Trust Funds.

EXECUTIVE DIRECTION

BUDGET ACTIVITY by OBJECT CLASS						
(Dollars in Thousands)						
		FY 2008 Enacted	FY 2009 Enacted	Recovery Act	FY 2010 Request	Change FY 10 Req / FY 09 Enacted
11.1	Full-time permanent	4,418	4,074	0	4,178	104
11.3	Other than full-time permanent	102	68	0	69	1
11.5	Other personnel compensation	107	184	0	189	5
11.8	Special personal services payments	7	0	0	0	0
11.9	Total personnel compensation	4,634	4,326	0	4,436	110
12.0	Civilian personnel benefits	1,144	1,157	0	1,158	1
13.0	Benefits for former personnel	4	2	0	2	0
21.0	Travel and transportation of persons	158	92	0	92	0
22.0	Transportation of things	3	0	0	0	0
23.1	Rental payments to GSA	461	571	0	575	4
23.3	Communications, utilities, and miscellaneous charges	105	70	0	70	0
24.0	Printing and reproduction	46	13	0	13	0
25.1	Advisory and assistance services	306	341	0	344	3
25.2	Other services	86	25	0	25	0
25.3	Other purchases of goods and services from Government accounts 1/	567	1,042	0	1,071	29
25.4	Operation and maintenance of facilities	7	1	0	1	0
25.7	Operation and maintenance of equipment	436	354	0	544	190
26.0	Supplies and materials	33	39	0	39	0
31.0	Equipment	75	42	0	293	251
42.0	Insurance claims and indemnities	13	3	0	3	0
Total		8,078	8,078	0	8,666	588
1/Other Purchases of Goods and Services From Government Accounts						
	Working Capital Fund	520	1,042	0	1,071	29
	DHS Services	27	0	0	0	0
	Census Services	20	0	0	0	0

EXECUTIVE DIRECTION

CHANGES IN FY 2010

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments		110
Personnel benefits		8
Federal Employees Compensation Act (FECA)		-7
GSA Space Rental		4
Advisory and assistance services		3
Purchase of goods and services from other Government accounts		29
Operation and maintenance of equipment		3
Built-Ins Subtotal		150

Net Program		438
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Direct FTE		0
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	Estimate	FTE
Base	8,228	47
Program Increase	438	0