

Outcome Goal 1.1 – Increase Employment, Earnings, and Retention

The Department assists workers and employers with valuable information and specific training to help them take full advantage of the constantly changing demands and resources in the labor market. Central to this effort is a nationwide network of approximately 2000 One-Stop Career Centers which assist communities to match adults to work and skill enhancement opportunities. This comprehensive workforce investment system also helps businesses meet their ongoing recruitment and human services needs. Through a national business services model, the Department helps national employers understand and use the full resources of the One-Stop system to better access trained workers. For individuals with disabilities, the One-Stop Centers have improved access to their facilities and services by installing assistive technologies. DOL is also making a special effort to help our nation's military service members adjust to and re-enter the civilian workforce by providing priority services at all One-Stop Centers pursuant to the Jobs for Veterans Act of 2002.

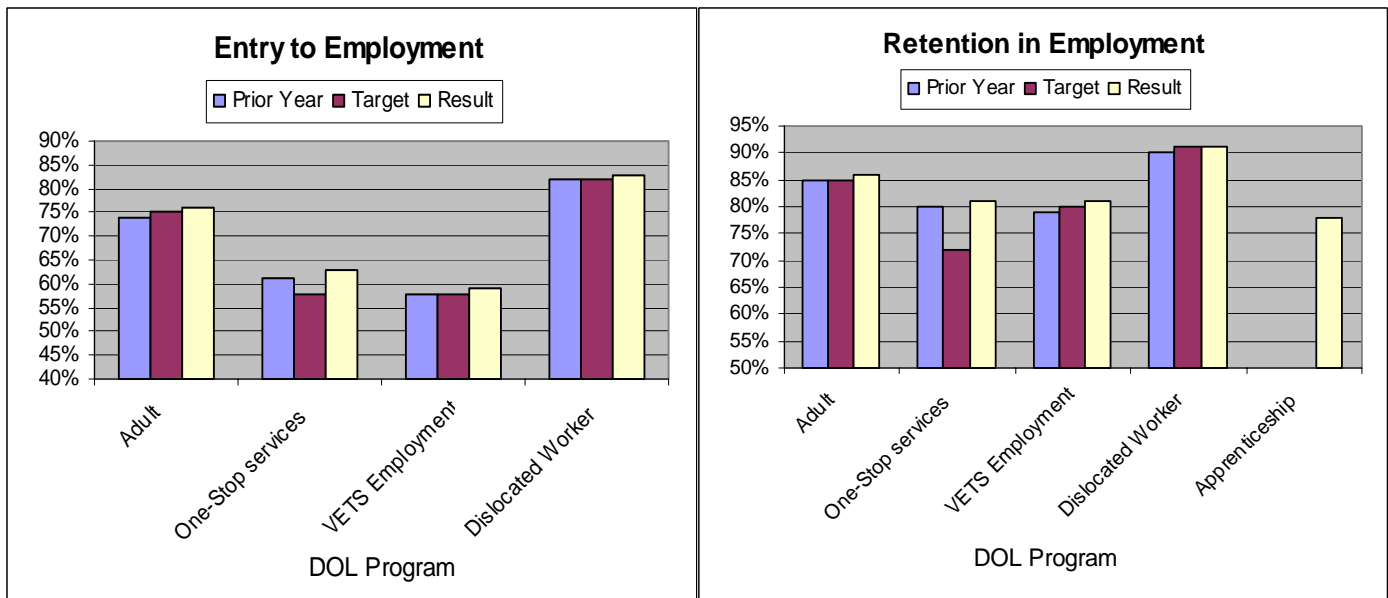
The Employment and Training Administration (ETA), the Veterans' Employment and Training Service (VETS) and the Office of Disability Employment Policy (ODEP), with support from the Women's Bureau and the Center for Faith-Based and Community Initiatives, operate a number of programs and projects that provide information, assistance, skill-building opportunities, and effective strategies for providing the programs and services that lead to increased employment and earnings. In the first column of the table below are the numbers, agencies, reporting periods¹⁶, goal statements, achievement, and a summary of results at the performance indicator level for DOL performance goals associated with this outcome goal.

Goal (Agency) and Statement	Performance Summary	FY 05/PY 04 Costs (millions)
04-1.1A (ETA) Increase the employment, retention, and earnings of individuals registered under the Workforce Investment Act (WIA) Adult program.	Goal achieved. Four targets reached.	\$922
04-1.1B (ETA) Improve outcomes for job seekers and employers who receive One-Stop employment and workforce information services.	Goal not achieved. Two targets reached, one not reached.	725
04-1.1C (ETA) Increase the employment, retention, and earnings replacement of individuals registered under the WIA Dislocated Worker program.	Goal not achieved. Three targets reached, one not reached.	1455
04-1.1D (VETS) Improve employment outcomes for veterans who receive One-Stop and homeless veterans' services.	Goal achieved. All six targets were reached.	196
05-1.1A (ETA) Strengthen the registered apprenticeship system to meet the training needs of business and workers in the 21st Century.	Goal achieved. All three targets were reached.	23
05-1.1B (ODEP) Provide national leadership to increase access and employment opportunities for youth and adults with disabilities receiving employment, training, and employment support services by developing testing, and disseminating effective practices.	Goal achieved. Five targets reached.	52
Other (Community Service Employment for Older Americans, Native American Adult, National Farmworker, and Work Incentive Grants programs, etc.)		503

Results Summary

Of the six performance goals listed, DOL achieved four and did not achieve two. As illustrated, primary outcomes of participant employment and retention improved over the prior year for every program. Results were also positive for the two programs with targets for increasing participants' earnings – WIA Adults and Dislocated Workers.

¹⁶ Those indicating a Program Year (PY) are reporting on the period from July 1, 2004 to June 30, 2005 due to the forward funding mechanism of the Workforce Investment Act (WIA) of 1998.



Disappointing results were confined to efficiency measures (cost per participant), which were new this year. Targets that were established without reliable trend data proved overly ambitious.

Performance for most of DOL’s employment and training programs is measured by entered employment – the percentage of participants who obtain jobs subsequent to receipt of services – and by retention – the percentage of those who obtained jobs who are still employed six months later. Earnings are important, too; no chart is provided because the two programs that have data used different indicators. This will be resolved over time as Federal job training program common measures are implemented. Baseline efficiency data exist for a few programs but offer little useful information at this point.

These charts show, for each program in this outcome goal that tracks employment and retention rates, the result for the previous year, the target for the reporting period and the result. There are significant differences in entry and retention rates between programs; this can be explained by the types of services offered and the populations they serve. Increases across the board are partially attributable to improving overall economic growth and employment. Key DOL contributions were facilitating more integrated service delivery by State Workforce Agency partners and encouraging them to focus on high growth occupations and industries in placement and training services. The only surprise in employment and retention results was a pleasant one. Outcomes for job seekers using One-Stop employment services exceeded expectations for the second consecutive year. Accordingly, PY 2005 targets for employment and retention rates are being raised by several percentage points.



Coletta lost all her belongings and her job due to Hurricane Katrina. A hurricane survivor from New Orleans, Coletta attended a job fair sponsored by the North Central Texas WorkForce Board (NCTWFB) and found a position with The Reel Thing, a catfish restaurant. She began work immediately and expressed her appreciation to the entire community for other support, including shelter, clothes, and hot meals. The job fair, held at space donated by the Comfort Suites in McKinney, featured more than 16 employers. “Our goal is to provide each person arriving in our area with an opportunity to work. Texas, and especially the North Central Texas area, is eager to aid those surviving Hurricane Katrina and help them get back on their feet. We do not plan to stop with this one job fair. We will continue to work tirelessly toward our goal,” said Linda Davis, executive director of the NCTWFB.

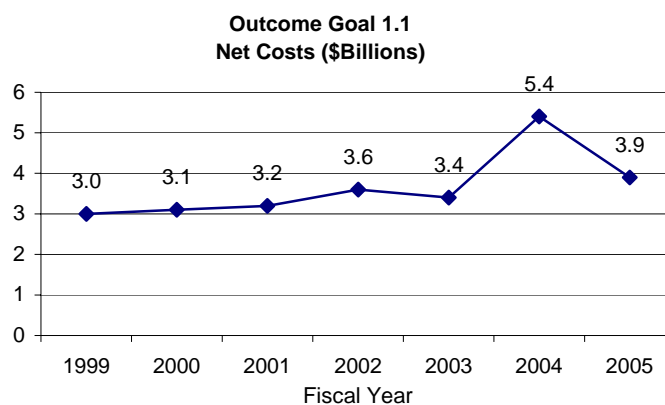
Photo credit: Texas Workforce Commission and North Central Texas WorkForce Board

DOL also played a crucial role in our Nation's response to Hurricane Katrina. Within days of Katrina's landfall, DOL awarded up to \$191 million to affected States, including those States hosting evacuees. The funds, from the National Emergency Grant program, helped to create temporary jobs. These jobs put displaced people to work performing crucial jobs, such as providing shelter, food, and clothing, and performing clean-up and restoration work. These jobs also provide short-term training for vocational skills, which create new career pathways to help evacuees return to jobs in their community or where they choose to settle.

Net Cost of Programs

FY 2005 program costs of \$3.874 billion supported Employment and Training Administration programs to provide employment and training for adults through formula grants to States, registered apprenticeship, and employment services; programs for dislocated workers; Veterans' Employment and Training Service assistance to veterans; Office of Disability Employment Policy efforts to develop, evaluate, and disseminate strategies to improve employment outcomes for job seekers with disabilities; Center for Faith Based and Community Initiatives contracting outreach; and Women's Bureau efforts to increase job opportunities for women.

The \$2 billion increase in costs from 2003 to 2004 resulted almost entirely from moving the Dislocated Worker Program and Trade Adjustment Act (TAA) performance goals from Strategic Goal 2 (Outcome Goal 2.3 in the DOL FY 2003 Performance and Accountability Report). The TAA performance goal was moved again in FY 2005, along with several smaller ETA programs, to Strategic Goal 4 – accounting for roughly \$1 billion of the decrease shown here. The additional decrease is primarily the result of reductions in the Dislocated Worker and Welfare-to-Work programs.



Future Challenges

To continuously improve outcomes for WIA participants, the Department is focusing on integrated service delivery and new approaches to workforce investment designed to ensure workers have the right skills to get and retain good jobs with good wages. Separate funding streams for the Wagner-Peyser Act funded employment services and the WIA Adult and Dislocated Worker programs continue to present challenges to program performance as services are duplicated and additional funds are spent on administrative support. With WIA Reauthorization, DOL proposes to combine these funding streams with WIA Youth into one consolidated program.

The Government Accountability Office (GAO) completed a study in FY 2005 that found room for improvement in access to One-Stops for persons with disabilities. DOL, in collaboration with the Rehabilitative Services Administration and the Social Security Administration, is developing a strategic plan to address the matter.

The voluntary nature of the Apprenticeship program's relationships with employers and State Workforce Agencies makes it difficult to capture information consistent with the Federal job training program common measures. To encourage States' cooperation, Apprenticeship has been expanding its Registered Apprenticeship Information System (RAIS) electronic registration project.

Increase Employment, Retention, and Earnings for Qualified Adults

Performance Goal 04-1.1A (ETA) – PY 2004

Increase the employment, retention, and earnings of individuals registered under the Workforce Investment Act Adult program.

Indicators, Targets and Results	PY 2003 Result	PY 2004 Target	PY 2004 Result	Target Reached*
Percent of participants employed in first quarter after program exit	74%	75%	77%	Y
Percent of those employed in the first quarter after program exit still employed in the third quarter after program exit	85%	85%	86%	Y
Average earnings change for those who are employed in the first quarter after program exit and still employed in the third quarter after program exit	\$3,260	\$3,300	\$3,746	Y
Average cost per participant	N/A	\$2,192	\$2,153**	Y
PY 2004 Costs				\$922 Million
				Goal Achieved

*Indicator target reached (Y), substantially reached (S) or not reached (N)

** Estimated based on quarterly reports

Program Perspective

The Workforce Investment Act (WIA) Adult program is designed to help adult workers (employed *and* unemployed) acquire the skills and jobs they need to compete in a global economy. WIA Adult program funds are provided by formula to States and local communities that operate statewide networks of One-Stop Career Centers. The Centers provide a continuum of seamlessly-integrated services (including services under the Wagner-Peyser Act and the WIA Dislocated Worker program) which offer *comprehensive* assistance to workers and employers. States also use the WIA Adult program to leverage additional, non-Federal resources to increase the quality and variety of assistance.

The Department uses four indicators to evaluate the success and cost effectiveness of WIA employment and training services for adults: entered employment, retention, earnings change, and cost per participant. A high entered employment rate indicates that participants have improved financial security. A high retention rate indicates stability of participants' new positions. Higher earnings change reflects effective assistance, especially of training services. The cost per participant gauges program efficiency. Successful leveraging of non-Federal funds can lower the cost per participant by allowing the program to increase the number of people served.



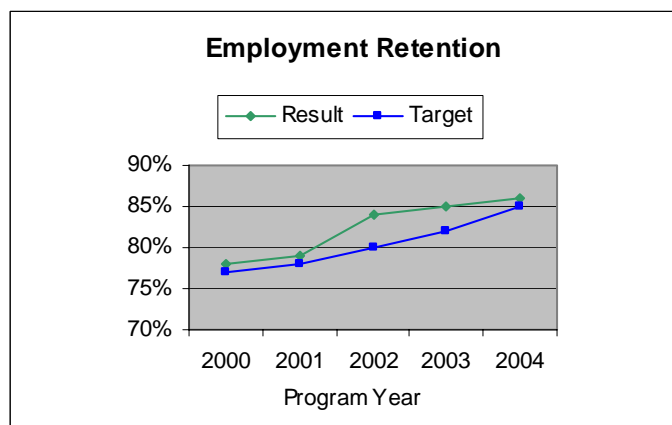
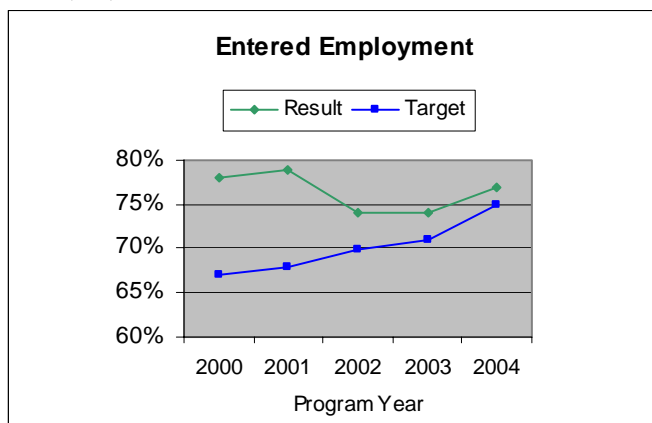
As a single father, Kenneth had experienced a great deal of adversity in his life. While incarcerated due to his dependence on drugs and alcohol, Kenneth realized he needed to find a better path. With encouragement from family, friends and his parole officer, Kenneth obtained a job at a local restaurant earning \$12,000 a year after his release from prison. While he remained drug-free for three years, Kenneth looked for employment that provided a more stable and higher income. He visited Ozark Action, Inc. in Missouri, and enrolled in the WIA Adult program. Kenneth completed his C-1 Truck Driver training with the assistance of the program and began driving for the trucking company. He bought his own truck and currently makes nearly \$40,000 per year! He is clearly traveling down a far brighter path.

Photo Credit: Kenneth Duncan & Michael Kelley

National labor market conditions strongly influence the WIA Adult program outcomes. In recent years, during recovery from the economic downturn of 2000 and 2001, the program outcomes continuously improved as the unemployment rate decreased. Throughout this period, DOL continued to improve its integrated One-Stop delivery system and raise its performance standards accordingly. Over the past four years, targets for entered employment and retention increased a total of six and seven percentage points respectively. DOL adjusted the earnings change target to more accurately reflect current economic conditions.

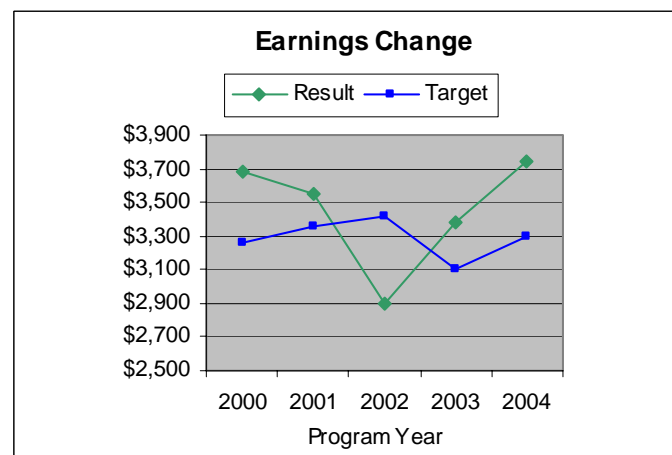
Analysis and Future Plans

The Department achieved its performance goal for the WIA Adult program. The entered employment rate, employment retention rate and earnings change results exceeded targets, and efficiency was only slightly off the target. As illustrated below, performance is trending upward for all three outcome indicators. Entered employment and retention have remained above the targets, while earnings increase rose significantly from \$3,260 in Program Year (PY) 2003 to \$3,746 in PY 2004. This is the first year for which efficiency data have been reported.



The broad economic indicators were positive over the past twelve months and provided a boost to the performance outcomes for the Adult program. During this period, the economy added about 2.2 million jobs, unemployment fell from 5.4 percent to 4.9 percent; and interest rates remained low. Productivity was up and average weekly earnings increased by 2.7 percent as reported by the Bureau of Labor Statistics.

To continuously improve outcomes for WIA participants, the Department is focusing on integrated service delivery and new approaches to workforce investment designed to ensure workers have the right skills to get and retain good jobs with good wages. Key strategies include: 1) Strengthening strategic partnerships with the business and education communities to develop workforce solutions that are responsive to State and local economies and that relate specifically to high demand occupations and industries; 2) Assuring that every individual, including individuals with disabilities, veterans, new Americans, older workers and others have access to the full array of integrated services through the One-Stop delivery system; and 3) Leveraging a wide array of non-WIA resources to maximize the impact of WIA investments and to train more workers with the skills they need to be successful.



Management Issues

As part of an on-going response to concerns raised by the Office of Inspector General regarding accuracy of data reported by States for WIA performance, in PY 2004 DOL developed and implemented a data validation methodology for WIA programs. State Workforce Agencies (SWAs) used handbooks, user guides, and software (developed by DOL) to validate outcomes reported in PY 2003 and PY 2004. In PY 2005, SWAs will implement

common performance measures (for Federal job training programs). DOL will revise the data validation materials and software to support accurate and reliable data reporting.

Separate funding streams for the Wagner-Peyser Act funded employment services and the WIA Adult and Dislocated Worker programs continue to present challenges to program performance, as services are duplicated and additional funds are spent on administrative support. DOL took steps to consolidate the reporting on all programs and is conducting a feasibility study in several State agencies. With WIA Reauthorization, DOL proposes to combine these funding streams together with WIA Youth funding into one consolidated program.

The Government Accountability Office (GAO) issued its report in December 2004, *Labor Has Taken Several Actions to Facilitate Access to One-Stops for Persons with Disabilities, but These Efforts May Not Be Sufficient* (Study 2 in Appendix 2). DOL instituted a workgroup – including the Rehabilitative Services Administration and Social Security Administration, as well as DOL’s Civil Rights Center, Office of Disability Employment Policy and Veterans’ Employment and Training Service – that has met consistently since January 2005. In collaboration with the workgroup, DOL has begun to develop a comprehensive, long-term strategic plan to address the One-Stop system’s provision of services to people with disabilities. This workgroup’s mission is to develop an inter-agency work plan that will promote service delivery excellence for people with disabilities in the One-Stop Career Center system. The approved policies and strategies will be translated into a work plan.

The GAO issued its February 2005 report, *Employers Are Aware of, Using, and Satisfied with One-Stop Services, but More Data Could Help Labor Better Address Employers’ Needs* (Study 3 in Appendix 2). Prior to the issuance of this report, DOL proposed a comprehensive, streamlined reporting system for 12 different programs – EMILE (ETA Management Information and Longitudinal Evaluation), and is currently conducting a feasibility study. Also, DOL revised its planning guidance to require States to describe how they will actively engage businesses and inform demand-driven service delivery approaches for all customers.

A GAO report issued in May 2005, *Labor Should Consider Alternative Approaches to Implement New Performance and Reporting Requirements* (Study 4 in Appendix 2), examined EMILE. Pending completion of the aforementioned study, DOL revised reporting requirements, effective July 1, 2005, to facilitate common performance measures reporting across DOL’s employment and training programs.

A June 2005 GAO report, *Substantial Funds Are Used for Training, but Little Is Known Nationally about Training Outcomes* (Study 1 in Appendix 2), raised concern about how WIA funds are being used and how much is being spent on training. In response, DOL is standardizing the definition of ‘participant exit’ for purposes of assessing program performance. States began implementing these changes on July 1, 2005. Through the newly revised Workforce Investment Act Standardized Record Data system, DOL will be able to capture information on all participants who receive training in each program year.

Improve Employment Outcomes for One-Stop System Users

Performance Goal 04-1.1B (ETA) – PY 2004

Improve outcomes for job seekers and employers who receive One-Stop employment and workforce information services.

Indicators, Targets and Results	PY 2003 Result	PY 2004 Target	PY 2004 Result	Target Reached*
Percent of job seekers registered for employment services who enter employment with a new employer by the end of the second quarter following registration	61%	58%	64%	Y
Percent of job seekers who continue to be employed two quarters after initial entry to employment with a new employer	80%	72%	81%	Y
Average cost per participant	N/A	\$52	\$62	N
PY 2004 Costs				\$725 Million
*Indicator target reached (Y), substantially reached (S) or not reached (N)				Goal Not Achieved

Program Perspective

A fundamental underpinning of the nation's One-Stop Career Centers is the delivery of employment and workforce information services to a universal population of both businesses and job seekers. Funded principally through WIA, the Wagner-Peyser Act, and the Jobs for Veterans Act administered by the Veterans' Employment and Training Service (VETS), One-Stop employment and workforce information services are designed to help workers (employed *and* unemployed) obtain jobs and give employers access to the skilled workers they need to compete in the global economy. Providing effective services responsive to unique local/regional labor market conditions and the needs of workers is key to achieving successful outcomes for both workers and employers. Such services are provided in collaboration with a wide array of One-Stop partners and are fully integrated for seamless service delivery to customers. One-Stop employment and workforce information services are a continuum of core, intensive, and training services available through One-Stop Centers. Core services include skill assessment, job counseling, and labor market information and are available to everyone. Intensive services have a limited eligibility, based on need, and include employability skills and case management. Training services are available to those needing more than core and intensive services.

One-Stop employment services are provided universally to customers at no charge, with special emphasis on services for Unemployment Insurance (UI) claimants, migrant and seasonal farmworkers, veterans¹⁷, and businesses. Services include a wide array of workforce and labor market information, career guidance products and tools, assessments, job matching and referral, reemployment services for UI claimants, targeted services for veterans and more.

DOL uses three key indicators to evaluate the success and effectiveness of One-Stop employment and workforce information services: entered employment, employment retention, and average cost per participant. A high entered employment rate indicates that participants have improved financial security. A high retention rate indicates stability of participants' new positions. With the implementation of common performance measures for Federal job trainings in PY 2005, DOL will add earnings change, which indicates the impact of services on post-program participation earnings potential.

To stimulate full integration of workforce information services into planning, decision making, and service delivery programs for adults, including employment services, DOL is collecting and reporting data for PY 2005 on the impact

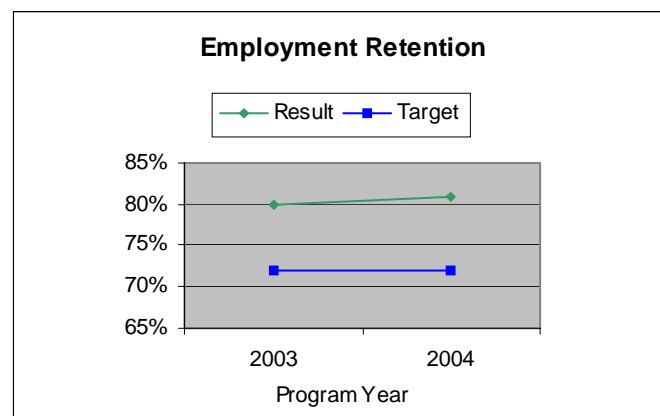
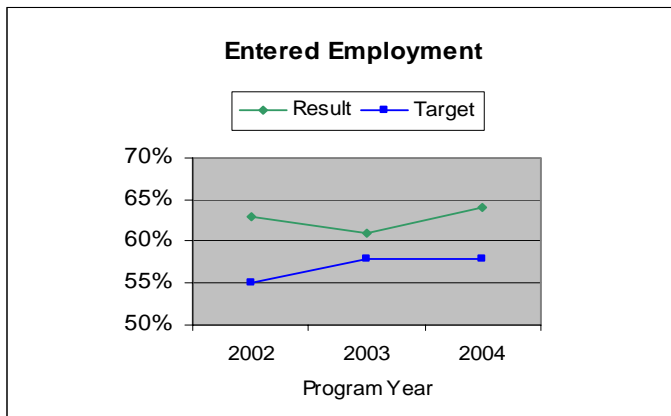
¹⁷ For specific information about the outcomes achieved by veterans who receive One-Stop employment and workforce information services, please refer to Performance Goal 04-1.1D.

of workforce information on participant employment outcomes. (See performance goal 04-4.1A Electronic Tools for further detail about the Workforce Information System.)

Analysis and Future Plans

Both the entered employment rate and the employment retention rates exceeded targets and increased from PY 2003. The cost per participant (efficiency) measure was new in PY 2004; results fell short of the target. Consequently, the overall performance goal was not achieved.

In PY 2005, ETA will implement Federal job training program common measures. States will be required to report on One-Stop customers who receive workforce information services and their outcomes, and their two-year strategic plans will include a discussion of workforce information as a tool in serving job seekers and employers.



To continually improve performance, DOL has aggressively expanded high growth industries and employers through its Business Relations Group (BRG). In partnership with States, the BRG has collaborated with large multi-state employers as well as industry associations to broker their connection to the one-stop delivery system. This partnership has helped match job seekers with employers. In addition to working toward integrating the Wagner-Peyser funded One-Stop employment services and WIA services, DOL has strengthened its focus on the role of workforce information in the design and delivery of core, intensive and training services.



The Employment Connection in Ohio demonstrates how the workforce system and employers can work together to meet their needs. In February 2005, the Employment Connection coordinated with Home Depot to conduct a mass recruitment session in 20 different locations. Approximately 350 applicants attended and more than 70 applicants were hired through the recruitment session. Stan, a 54 year old veteran who served in the U.S. Navy during the Vietnam era, was one of the applicants who was hired at the session. After his service in the Navy, he worked on computer repairs for 25 years. However, after losing his job due to an economic downturn, Stan accessed services through Employment Connection. “The Employment Connection is a very good organization and supports unemployed people in the area. They have a lot to offer and provide a very supportive environment,” he said.

Photo Credit: Michael Longo, Anthony Schweppe, Stanley Stewart

Management Issues

Separate funding streams that fund One-Stop employment services, particularly the WIA Adult and Dislocated Worker funding and the Wagner-Peyser Act funding, continue to present challenges to program performance. DOL took steps to consolidate the reporting on all programs and is conducting a feasibility study for consolidated reporting in several State agencies. With WIA Reauthorization, DOL proposes to combine these funding streams and WIA Youth into one consolidated program to minimize duplication of services and administrative support funds.

In PY 2004, ETA actively participated in a pilot study with VETS to research statistical models for goal setting purposes (Study 11 in Appendix 2). The efficiency component of the study has focused on how to determine unit costs for the general population of job seekers and veterans who receive One-Stop employment and workforce information services. The study pointed to several variables that will impact program cost per participant including the unemployment rate, cost of labor and facilities, population density, relative number of job seekers and veterans, and unexpected major corporate layoffs, among others. The earnings gain component of the study relied on a small sample of state data (three states) so the results may not be statistically relevant across all states. Nevertheless, average earnings gains among participating states equaled zero for all job seekers, and generally greater than zero for veterans.

As part of an on-going response to concerns raised by the Office of Inspector General regarding the accuracy of data reported by States for performance, DOL developed and implemented a data validation methodology for WIA programs, including One-Stop employment services. State workforce agencies used handbooks, user guides, and software (developed by DOL) to validate outcomes reported in PY 2003 and PY 2004. In PY 2005, SWAs will implement common performance measures (for Federal job training programs). DOL will revise the data validation materials and software to support accurate and reliable data reporting.

In 2004, One-Stop employment and workforce information services were assessed through the PART. The program was rated Adequate. The PART assessment found that accountability for performance results by grantees was insufficient given the delay in implementing long term performance measures. In response, DOL fully implemented the common measures for job training programs on July 1, 2005. ETA will collect baseline data on these measures during PY 2005 and grantees will negotiate levels of performance in PY 2006.

Assist Dislocated Workers

Performance Goal 04-1.1C (ETA) – PY 2004

Increase the employment, retention, and earnings replacement of individuals registered under the Workforce Investment Act Dislocated Worker Program.

Indicators, Targets and Results	PY 2003 Result	PY 2004 Target	PY 2004 Result	Target Reached*
Percent of participants employed in the first quarter after program exit	82%	82%	84%	Y
Percent of those employed in the first quarter after program exit still employed in the third quarter after program exit	90%	91%	91%	Y
Average earnings replacement rate for those who are employed in the first quarter after program exit and still employed in the third quarter after program exit	91%	91%	93%	Y
Average cost per participant	N/A	\$3195	\$3318**	N
PY 2004 Costs				\$1455 Million
*Indicator target reached (Y), substantially reached (S) or not reached (N)				Goal Not Achieved
** Estimated based on quarterly reports				

Program Perspective

The Workforce Investment Act (WIA) Dislocated Worker program aims to quickly reemploy laid off workers and preferably to enhance their employability and earnings by increasing occupational skills. The Department allocates 80 percent of the WIA Dislocated Worker funds by formula to the States. The Secretary may use the remaining 20 percent for discretionary activities specified in the Workforce Investment Act, including assistance to localities that suffer plant closings, mass layoffs or job losses due to natural disasters and military base realignment and closures. The Dislocated Worker program is part of a continuum of seamlessly-integrated services (including services under the Wagner-Peyser Act and the WIA Adult program) which reflect comprehensive assistance to workers and employers. States also use the WIA Dislocated Worker program to leverage additional, non-Federal resources in order to increase the quality and variety of assistance they are able to offer.



Eileen appreciates those who helped her on her journey, and now makes a difference in others' lives. She began her job search at Missouri Career Center after her job was eliminated from a financial investment firm. At first, she was discouraged to begin a new career because of her age. After her enrollment in the WIA Dislocated Worker program, however, Eileen attended the Adult Education and Literacy Workplace Readiness Workshops and pursued a degree in Psychology. With a strong determination, two part-time jobs, and a continuance of supportive services by Dislocated Worker staff, Eileen received her Bachelor's degree in Psychology with honors. Currently, she is working as a career manager for Lakes Country Resource Center and plans to look for opportunities to help others achieve their dreams.

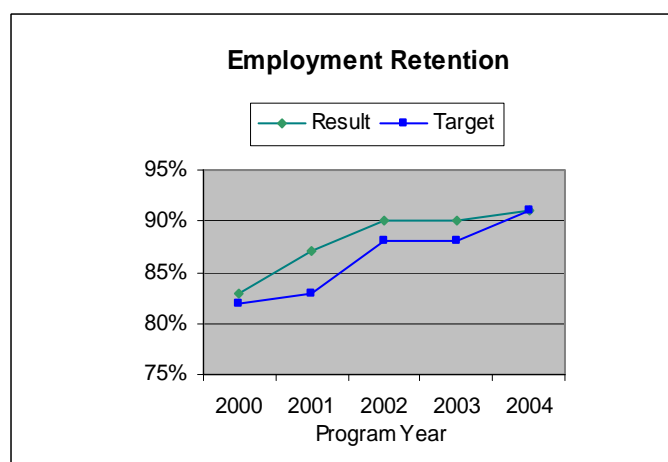
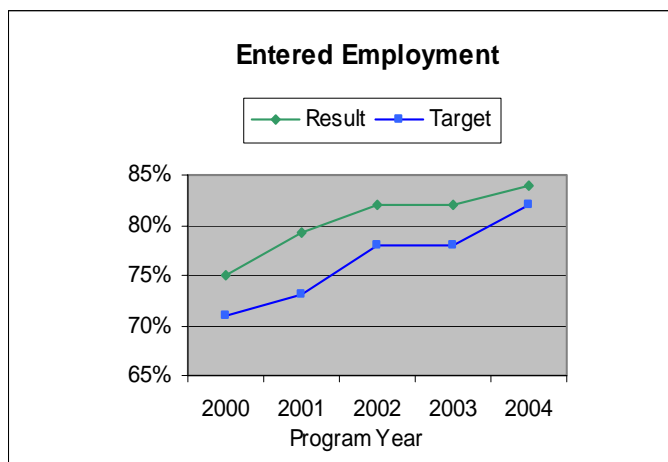
Photo Credit: Della Hamlin

Four key indicators are used to assess the program's success. The entered employment rate indicates how quickly participants' incomes (hence family security) are restored and whether they maintain continuous attachment to the labor force with minimal disruption. The retention rate and earnings replacement indicators demonstrate the program's effectiveness at matching and/or enhancing participants' skills and abilities to maximize their

opportunities. The average cost per participant measure gauges program efficiency. Successful leveraging of non-Federal funds lowers the unit cost by allowing the program to increase the number of people served.

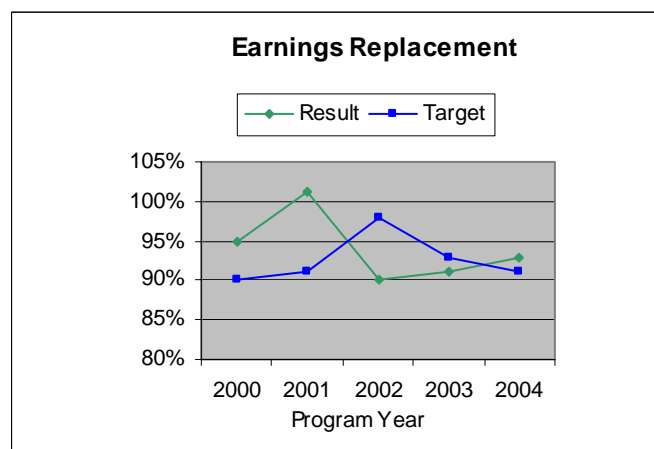
Analysis and Future Plans

The Department did not achieve its performance goal for the WIA Dislocated Worker program. Although entered employment, employment retention and earnings replacement rates all reached or exceeded targets, efficiency (cost per participant) was off target because PY 2004 was the first year of measurement for this indicator.



Broad economic indicators were positive over the past 12 months and provided a boost to outcomes. During this period, the economy added about 2.2 million jobs, unemployment fell from 5.4 percent to 4.9 percent, and interest rates remained low. Productivity was up and average weekly earnings increased by 2.7 percent as reported by the Bureau of Labor Statistics for the reporting period.

In PY 2005, the Department continues implementing demand-driven workforce investment strategies that promote the successful transition of dislocated workers to good jobs and new careers. In addition, the Department is pro-actively developing transition strategies to position workers in declining industries (thus likely to be dislocated) to obtain the skills they need to transition more quickly.



Management Issues

As part of an on-going response to concerns raised by the Office of Inspector General regarding accuracy of data reported by States for WIA performance, in PY 2004 DOL developed and implemented a data validation methodology for WIA programs. State Workforce Agencies (SWAs) used handbooks, user guides, and software (developed by DOL) to validate outcomes reported in PY 2003 and PY 2004. In PY 2005, SWAs will implement common performance measures (for Federal job training programs). DOL will revise the data validation materials and software to support accurate and reliable data reporting.

Separate funding streams for the Wagner-Peyser Act funded employment services and the WIA Adult and Dislocated Worker programs continue to present challenges to program performance as services are duplicated and additional funds are spent on administrative support. DOL took steps to consolidate the reporting on all programs and is conducting a feasibility study in several State agencies. With WIA Reauthorization, DOL proposes to combine these funding streams into one consolidated program.

The Government Accountability Office (GAO) issued its February 2005 report, *Employers Are Aware of, Using, and Satisfied with One-Stop Services, but More Data Could Help Labor Better Address Employers' Needs* (Study 3 in Appendix 2). Prior to the issuance of this report, DOL proposed a comprehensive, streamlined reporting system for 12 different programs – EMILE (ETA Management Information and Longitudinal Evaluation), and is currently

conducting a feasibility study. Also, DOL revised its planning guidance to require States to describe how they will actively engage businesses and inform demand-driven service delivery approaches for all customers.

A GAO report issued in May 2005, *Labor Should Consider Alternative Approaches to Implement New Performance and Reporting Requirements* (Study 4 in Appendix 2), examined EMILE. Pending completion of the aforementioned study, DOL revised reporting requirements, effective July 1, 2005, to facilitate the reporting of common performance measures across DOL's employment and training programs.

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The Department is currently conducting a study in which seven State workforce agencies are co-enrolling all of their Trade Adjustment Act (TAA) participants into the Dislocated Worker program to examine how co-enrollment affects the performance outcomes of both populations. Results are expected in 2008.

In response to the PART review conducted in 2002 in which the program was rated Adequate, DOL implemented common performance measures for job training programs. DOL is also integrating its training programs to eliminate duplication of services and provide flexibility to States.

Help Veterans Get and Keep Jobs

Performance Goal 04-1.1D (VETS) – PY 2004

Improve employment outcomes for veterans who receive One-Stop and homeless veterans' services.

Indicators, Targets and Results	PY 2003 Result	PY 2004 Target	PY 2004 Result	Target Reached*
Percent of veteran job seekers employed in the first or second quarter following registration	58%	58%	60%	Y
Percent of veteran job seekers still employed two quarters after initial entry into employment with a new employer	79%	80%	81%	Y
Percent of disabled veteran job seekers employed in the first or second quarter following registration	53%	54%	56%	Y
Percent of disabled veteran job seekers still employed two quarters after initial entry into employment with a new employer	77%	78%	79%	Y
Entered employment rate for homeless veterans participating in the Homeless Veterans' Reintegration Program (HVRP)	61%	60%	65%	Y
Employment retention rate after 6 months for homeless veteran HVRP participants	N/A	baseline	57%**	Y
PY 2004 Costs				\$196 Million

*Indicator target reached (Y), substantially reached (S) or not reached (N)

** Estimated using preliminary results through the second quarter

Goal Achieved

Program Perspective

VETS delivers One-Stop employment and workforce information services to veterans through grants to State Workforce Agencies (SWAs), so that unemployed and underemployed veterans receive the assistance needed to obtain suitable employment. These grants fund positions for Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans' Employment Representatives (LVER), who are assigned to One-Stop Career Centers nationwide and focus on veterans' specific employment needs.

Through the Homeless Veterans Reintegration Program (HVRP), VETS delivers targeted employment services to homeless veterans by making competitive grant awards, predominantly to community and faith-based organizations. HVRP grantees provide services such as career counseling and job search assistance, and establish collaborative linkages with local rehabilitation agencies for substance abuse treatment. These services often are provided in concert with local service providers funded by the Departments of Housing and Urban Development, Health and Human Services, and Veterans Affairs.

As a component of One-Stop employment and workforce information services, the DVOP/LVER program enables SWAs to deploy veterans' program specialists where the needs for intensive services to veterans and transitioning service members are greatest. A "two-tiered" approach to service delivery allows job-ready veterans to be served by other SWA staff, while veterans with employability barriers are served by DVOP/LVER staff. This strategy leverages resources so that a maximum number of veterans are served even as resources are concentrated on those veterans with the greatest needs.

VETS regards entry to employment and retention in employment as the key outcomes of its programs and is implementing Federal job training program common measures. Since these measures substantially revise the definitions for employment and retention, VETS will establish new baseline values for these measures during PY 2005. Monitoring these outcomes will enhance the measurement of the program's impact and allow for comparisons across similar programs.

The most recent special survey of the employment situation of veterans by the Bureau of Labor Statistics (July 2004) shows that veterans in general fare well compared to their non-veteran counterparts, with an average unemployment rate of 4.5 percent compared to 5.9 percent. However, major segments of the veteran labor force have decidedly higher unemployment rates than non-veterans, particularly young, recently separated veterans, older veterans (45 to 54), and disabled veterans.

Analysis and Future Plans

This goal was achieved. Targets for Entered Employment Rate and Employment Retention were reached, as 60 percent of veteran job seekers were employed in the first or second quarter following registration and 81 percent of veteran job seekers continue to be employed after initial entry into employment with a new employer (retained in employment). For disabled veterans the corresponding achievements were 56 percent Entered Employment Rate and 79 percent being retained in employment. Homeless veterans achieved a 65 percent Entered Employment Rate.

Broad national economic indicators for unemployment, interest rates and productivity were positive over the past twelve months and provided a boost to the performance outcomes for the veterans program. Positive results are also attributed in part to continued efforts by VETS to facilitate communication between VETS State offices and State Workforce Agencies on strategies to maximize services to veterans. Several of these strategies are: 1) emphasis on DVOP and LVER staff serving as the critical link for services to veterans with employment barriers, as well as serving as a focal point for transition assistance and homeless veteran reintegration, while other SWA staff provide service to job-ready veterans; 2) SWAs' use of new flexibilities in the development of plans of service for veterans; 3) VETS guidance and technical assistance to SWAs on skill quality, credentials, job development, employer relations and intensive services as a means of ensuring retention and progress for veterans placed in jobs. For HVRP, sharing of best practices among grantees has paid dividends.

While performance targets have been reached, other trends cause concern and require close monitoring by VETS and SWAs. Registrations of veterans seeking services have declined in the past year. The percentage of veterans receiving staff assisted services (an indicator of veterans with employment barriers) has also showed a recent trend downward. VETS will collaborate with its SWA partners in the analysis of this information in order to come to a clearer understanding of the factors responsible for these shifts in order to determine if new strategies need to be developed.

Based on data for the first two quarters of the performance period, the retention rate for HVRP participants is 57 percent. These results reflect the outcomes experienced by about 62 percent of those enrolled during the four quarters of the performance period. This preliminary retention rate indicates that members of the homeless veteran target group continue to struggle somewhat in their efforts to maintain stable attachment to the workforce following receipt of HVRP services. VETS, with its grantee network, is actively examining approaches for improving grantee tracking procedures, grantee follow-up services, and homeless veteran retention rates.



In spite of a promising start, Michael's life changed drastically a few years after completing his Air Force service. With increasing family challenges, Michael began to drink heavily and use drugs. He gave up his hobbies and sold his belongings to support an ill relative. He changed jobs frequently, his marriage failed, and he lost his truck and apartment. He had nowhere to live and didn't care about anyone or anything. Through a program at the West Haven VA Hospital, he completed detox and was recommended for transitional living at Homes for the Brave, a residential program for homeless veterans. The Vocational Specialists on staff helped him conduct a job search. Through programs at CTWorks, he learned basic computer skills and applied for WIA funding to help him get back into driving rigs. He was offered a better paying truck-driver position, and was able to save money and eventually moved on.

Photo Credit: Homes for the Brave

Management Issues

During FY 2005, SRA International assisted VETS and the Employment and Training Administration with research on developing baseline data for efficiency and earnings change measures for veteran jobseekers. These veteran job seekers receive One-Stop employment and workforce information services. The project, *Developing Efficiency and Earnings Gain Measures* (Study 11 in Appendix 2) found that there were many factors that influenced a State's costs of service delivery, such as its unemployment rate, cost of labor and facilities, population density, relative number of veterans, and unexpected major corporate layoffs. Analysis also indicated slight earnings gain by participants in three States; this result contrasted with the findings from a prior study, which reflected a decline in earnings. VETS is considering additional efficiency measures such as cost per veterans who receive staff-assisted services that reflect the diversity of local conditions. The information helps to refine how earnings data are best applied and serves to reinforce VETS' caution in establishing earnings targets.

The Government Accountability Office (GAO) report *Preliminary Observations on Changes to Veterans' Employment Programs*, issued in May 2005, found that more work needs to be done to implement a minimum standard for veterans entering employment that all States will be expected to meet (see Study 8 in Appendix 2). VETS will conduct a nationwide study of its DVOP/LVER programs to develop initiatives for better integration into one-stop career centers.

GAO also issued *Job Retention Goal Under Development for DOL's Homeless Veterans' Reintegration Program* in May 2005 (see Study 9 in Appendix 2). The report recommended that DOL develop a realistic performance goal for employment retention of homeless veterans in order to better assess the success of HVRP. DOL is currently collecting retention data and will establish a baseline for setting and measuring performance targets.

A third May 2005 GAO report, *Enhanced Services Could Improve Transition Assistance for Reserves and National Guard*, recommended that DOL and the Departments of Defense (DOD) and Veterans Affairs determine what demobilizing Reserve and National Guard members need to make a smooth transition and explore options on ways to enhance their participation (see Study 10 in Appendix 2). DOL is actively participating in a DOD led effort to determine needs, and the best ways to provide them.

Feasibility Assessment of a Web-Based Career Guidance Tool for Transitioning Military Service Members, completed in June 2005, determined that no existing web-based tool meets the needs of transitioning service members and veterans (see Study 7 in Appendix 2). Contingent upon the availability of funding, DOL plans to develop with the DOD a customized tool that will include career tips, a search function and details on civilian occupations.

Satisfy High-Growth Industry Labor Needs via Apprenticeships

Performance Goal 05-1.1A (ETA) – FY 2005

Strengthen the registered apprenticeship system to meet the training needs of business and workers in the 21st Century.

Indicators, Targets and Results	FY 2004 Result	FY 2005 Target	FY 2005 Result	Target Reached*
Percent of those employed in the month after registration still employed nine months later	N/A	baseline	78%	Y
Average wage gain for tracked entrants ¹⁸ employed in the first quarter after registration and still employed nine months later	N/A	baseline	\$1.26	Y
Average cost per registered apprentice	N/A	baseline	\$109	Y
FY 2005 Costs				\$23 Million
*Indicator target reached (Y), substantially reached (S) or not reached (N)				Goal Achieved

Program Perspective

The National Apprenticeship Act of 1937 established the foundation for developing and expanding the nation's skilled workforce through apprenticeship programs and establishing standards for safeguarding the welfare of apprentices. The National Registered Apprenticeship System is responsible for the accreditation, registration, certification, and is the nationally recognized credentialing system for skilled, craft, and technical trade training programs throughout the U.S. Voluntary cooperation with State agencies, businesses, program sponsors, industry leaders, employers, employer associations and educational institutions support the Apprenticeship System. The top priority is to provide opportunities for jobseekers to find jobs with career paths, earn competitive wages, and offer the opportunity to obtain nationally-recognized industry credentials.

As the Department continues to support the President's High Growth Job Training Initiative (HGJTI), the Apprenticeship System strives to expand its system by targeting the identified high-growth industries: health care, information technology, biotechnology, geospatial technology, automotive, retail, advanced manufacturing (including aerospace), transportation, hospitality, financial services, and energy. The Apprenticeship System plays a vital role in the HGJTI by providing apprentices with industry-recognized credentials that are sanctioned by DOL, thereby helping to supply U.S. employers with the skilled workers they need to stay competitive and keep the economy growing. During FY 2005, there were 541 programs and 8130 apprentices registered with more than 6100 active programs and more than 24,300 active apprentices in high-growth industries.

Analysis and Future Plans

Fiscal Year 2005 was a transitional year for evaluating performance in the Apprenticeship program. To tell a broader story of employment outcomes for registered apprentices, the Apprenticeship program moved toward common performance measures, by collecting baseline information on employment retention rate, earnings gain and efficiency measures. These common measures reflect individual apprentice outcomes and allow comparison with other ETA programs.

The established baseline results of the common measures show that during the first quarter of FY 2005, 78 percent of over 18,000 newly registered apprentices were still employed nine months after the month of registration, and their average hourly wage gain was \$1.26 (from \$11.92 to \$13.18). An important strategy of the apprenticeship program is targeting high-growth industry demand-driven career training. Apprentices are compensated for improved skills through wage increases that also lead to a higher employment retention rate. During FY 2005, the average cost per

¹⁸ Twenty-three States are federally-registered apprenticeship programs and enter data on individuals into the Registered Apprenticeship Information System (RAIS). A group of "tracked entrants" is defined as the cohort of apprentices registered and entered into RAIS during a given reporting period.

registered apprentice was \$109, efficient for Federal employment programs. By leveraging large investment from the private sector, Apprenticeship demonstrates a low cost, market driven approach to training America's workers.

The apprenticeship model functions as a self-sustaining system, with employers covering most training expenses such as wages, classroom training, supervision, and mentoring for the duration of the program, which can be several years. The apprenticeship system graduated 119,363 apprentices in the last four years, all of whom were employed, earned credentials verifying technical competencies, and increased their earnings in the process.

The Women in the Trades Construction Apprenticeship Preparation Program was developed and piloted in Fairbanks, Alaska, in 2004. The four-week curriculum includes physical conditioning, health and safety training, construction math, job readiness skills, guest speakers, and skills training at seven different apprenticeship schools. Participants received hands-on experience in the sheet metal, electrical, plumbing and pipefitting, ironworker, carpenter, and pile driver trades. This preparation program is designed to expose the women to different trades, to understand the commitments and requirements of the construction industry, and to prepare them for successful entrance into various apprenticeship programs. Gwendolyn, a program participant, said, "To have a marketable skill is an incredible privilege. We have chosen to devote ourselves to perfecting our trade."

Photo Credit: John Hakala and Gwendolyn Beecher



Management Issues

Registered Apprenticeship Information System (RAIS) collects program and apprenticeship information and is a unique data system that operates independent of States' workforce information systems. Efforts are underway to determine whether and how Unemployment Insurance wage records may be used to capture information consistent with the common measures. Access to and disclosure of State unemployment insurance wage records is being sought in consultation with the National Association of State Workforce Agencies and efforts are continuing to allow DOL to pilot the common measures using State UI wage records. In addition, the State Apprenticeship Councils' participation in the RAIS is voluntary, and the collection of retention and earnings data continue to be challenging.

Apprenticeship has been expanding its electronic registration project in RAIS. It allows program sponsors to register apprentices electronically, provides the source data for documenting pay rates, general employer workforce and demographics information, and completion credentials. Moreover, RAIS has reduced the application processing time, made the system more cost-effective, and improved the program's ability to track data.

In August 2005, the Government Accountability Office (GAO) issued a report, *Registered Apprenticeship Programs: Labor Can Better Use Data to Target Oversight*, that identified several areas for improvement (Study 5 in Appendix 2). DOL will follow up on GAO's recommendations by better utilizing information in the existing data sources and data mining tool; encouraging State Apprenticeship Agency (SAA) States to participate in RAIS; and providing technical assistance on issues identified in final reports of the 14 SAA reviews conducted in FY 2005.

Increase Employment Opportunities for Youth and Adults with Disabilities

Performance Goal 05-1.1B (ODEP) – FY 2005

Provide national leadership to increase access and employment opportunities for youth and adults with disabilities receiving employment, training, and employment support services by developing, testing, and disseminating effective practices.

Indicators, Targets and Results	FY 2004 Result	FY 2005 Target	FY 2005 Result	Target Reached*
Number of people with disabilities served through ODEP projects	6151	6718	9768	Y
Entered employment rate at pilot sites.	19.0%	24%	24.1%	Y
The 3-month and 6-month retention rates for people with disabilities served by the pilots	12.3%	22%	46.7%	Y
	6.9%	17%	39.0%	Y
Effective practices identified through pilot projects and other research-related initiatives	10	11	19	Y
FY 2005 Costs				\$52 Million
*Indicator target reached (Y), substantially reached (S) or not reached (N)				Goal Achieved

Program Perspective

The Office of Disability Employment Policy (ODEP) provides national leadership on disability employment policy to the Department of Labor and other Federal agencies. ODEP develops and influences the implementation of evidence-based disability employment policies and practices throughout the workforce development system, including employers. The implementation of these effective policies and practices will result in an increase in employment opportunities, and the recruitment, retention and promotion of people with disabilities. ODEP also supports the implementation of the employment-related goals of President Bush's *New Freedom Initiative*.

ODEP's response to low employment rates among people with disabilities is comprehensive and aggressive, and includes securing the active involvement and cooperation among a number of Federal, State, and local agencies as well as private sector organizations. ODEP strategically invests in policy development and research activities that identify policy options and validate evidence-based practices. The results of these activities are reflected in the indicators and targets used to measure ODEP's performance.

Major external factors that influence performance outcomes include several workforce trends. These trends include projected workforce shortages, turn-over and retirement, and the trend of working beyond the traditional retirement age. Many of these workers may experience disabling conditions, increasing pressure on the employer to keep workers on the job and to have employees who are temporarily disabled return to work quickly. Finally, small businesses will continue to be the backbone of the U.S. economy. They employ half of all private sector employees and have generated 60 to 80 percent of new jobs annually over the last decade. Small employers face unique challenges in hiring and retaining disabled workers.

ODEP develops policies and practices that empower employers to rethink their strategies for employee recruitment, development and transition with the goal of retaining long-term, high-quality, high-contributing employees. Additionally, ODEP develops policies and practices that enhance coordination of the support needed to keep workers on the job and return employees to work quickly following an injury or illness. This support includes access to healthcare, housing, and reliable transportation.

Analysis and Future Plans

ODEP achieved its goal. In FY 2005, ODEP continued collecting data from pilot projects and research activities: the number served; entered employment rate; retention rates (at three and six months); and the number of effective practices identified. Based on available data through the end of the third quarter of FY 2005, 9768 people with disabilities received employment related services, exceeding the target of 6718. The entered employment rate is 24.1

percent, 0.1 percent above the target of 24 percent. The three-month and six-month retention rates are 46.7 percent and 39.0 percent, exceeding the targets of 22 percent and 17 percent, respectively. Nineteen effective practices were identified through pilot projects and research initiatives, again exceeding the set target of eleven by eight.

In FY 2006, ODEP will continue its performance improvement efforts by aligning its strategies and activities to reflect a stronger reliance on its own internal staff to concentrate on policy development, analysis and applied research initiatives as opposed to using externally-funded public and private organizations. Activities will focus on ODEP's core mission to develop and influence the implementation of policies and practices that will increase employment opportunities, recruitment, retention, and promotion of adults and youth with disabilities. Accordingly, in FY 2006, ODEP's Performance Goal will be modified to ensure its activities are measured in terms of their impact on the workforce development system and its partners.

Joey is a 21 year old student with a disability who recently left the Montgomery County, Maryland Public School system without any job prospects. Under an Office of Disability Employment Policy grant, the Montgomery Local Workforce Investment Board was able to get Joey the customized employment services he needed to become successfully employed. The local grant staff worked with Joey, his family, the school, and related community employment service providers to coordinate Joey's customized employment plan. The grant staff met with a variety of businesses near Joey's home. After meeting with a local retail clothing store, the grant staff discussed Joey's skills and interests while explaining the concept of customized employment. The store's manager loved the idea and said that she needed to create a new position as a "markdown attendant"; which exactly matched Joey's interests and skills. Joey got the job. According to the employer, this task was always just a "fill-in" responsibility by other staff whose job it is to attend to customer needs. This new job creation allows other staff to focus on customer-service, while Joey fulfills another essential business need. Joey works 25 hours per week, and earns \$7.00 per hour. He takes public transportation to and from work.



Management Issues

ODEP conducts pilot projects to determine the effectiveness of disability employment strategies for dissemination throughout the workforce development system and partners. Pilot project data is collected and assessed internally and externally. Oversight includes quarterly project reports, staff visits to project sites and regular conference calls with project staff. ODEP also contracts with an external evaluator to independently verify data collected in pilot project reports, review project documents and activities, and visit project sites.

ODEP's multi-year external evaluation of pilot projects assesses the nature and extent of systems change to determine the effectiveness of strategies employed for increasing the capacity of the workforce development system to respond to the needs of people with disabilities. Findings continue to demonstrate: 1) the capacity of the workforce development system has expanded and is strengthened to better serve people with disabilities; 2) people with disabilities are moving from low-skill, minimum wage work to higher-paid jobs in technical or other new career fields; 3) attitudes at One-Stop Centers regarding the provision of services to people with disabilities are changing; and 4) governmental agencies are now working together to share information and leverage resources to better serve people with disabilities.

DOL is conducting a follow-up case study of 12 Workforce Investment Act (WIA)-assisted sites to provide information that will enable practice to inform policy and improve performance results of WIA-assisted programs that serve people with disabilities (see *Case Study Research: How People with Disabilities are Served through the Workforce Development System* – Study 6 in Appendix 2). Since States' initial implementation of WIA, One-Stop Career Centers and youth services have been addressing the challenges of serving all customers, including those with disabilities. The case study focuses on assessing impact and customer satisfaction.