

OUTCOME
GOAL 3.2 -
FOSTER EQUAL
OPPORTUNITY
WORKPLACES



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Overview

DOL is committed to fostering workplaces that guarantee equal opportunities and fairness to working Americans — to help build, in President George W. Bush's words, "a single nation of justice and opportunity." The Department achieves this goal by monitoring compliance of recipients of DOL financial assistance with laws, such as the Civil Rights Act and the Americans with Disabilities Act, and by assuring that minorities, women, individuals with disabilities, and veterans are afforded an equal opportunity by Federal contractors to compete for employment and advancement.

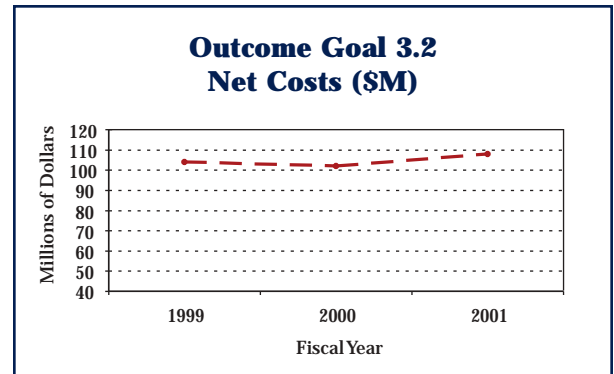
Serving the Public

The principle underlying the civil rights and equal employment opportunity provisions that the Department administers is that Federal tax dollars may not be used to perpetuate discrimination in the workplace or in the availability of program services.

The requirement that Government contractors refrain from discriminating in employment has been an established part of Federal contracting policy since 1941, when President Roosevelt signed Executive Order 8802, and it continues today.

The Employment Standards Administration (ESA) has the responsibility of assuring that employers doing business with the Federal Government comply with the equal employment opportunity and affirmative action provisions of their contracts. ESA enforces laws and regulations protecting employees and applicants from discrimination regardless of their gender, race, national origin, disability, or veteran status.

Recipients of Federal financial assistance, such as job training and placement service providers under the Workforce Investment Act, are also required to refrain from discriminating in providing services or benefits. DOL's Office of the Assistant Secretary for Administration and Management assures compliance with the civil rights laws that apply to recipients of DOL financial assistance. One strategy used is to educate and provide technical assistance to the States to promote voluntary compliance with applicable non-discrimination laws.



Together, these programs serve much of the American workforce, as more than 25 percent of the labor force in America, 26 million workers, work for Federal contractors or subcontractors, and a majority of the American workforce is eligible to receive job training and/or placement services from programs receiving financial assistance from DOL. In administering and enforcing these anti-discrimination and equal employment opportunity laws, DOL strives to give as many working Americans as possible the chance to make the most of themselves — to develop their potential, and follow their dreams.

Program Costs

The FY 2001 net costs for Outcome Goal 3.2, at \$108 million, represent 12 percent of the total cost of Strategic Goal 3, and work to ensure that Federal contractors and States that receive Workforce Investment Act funding achieve equal opportunity workplaces and deliver program services in a nondiscriminatory manner. As the Department has refined accounting for net costs by outcomes, a portion of the expenditures of the Veterans' Employment and Training Services was allocated to this goal for the first time in FY 2001, contributing to the increase reflected on the graph.

DOL Challenges for the Future

DOL must ensure that its procedures and policies are adaptable, so they can reflect and accommodate the economic realities facing Federal contractor industries now and in the future. DOL must also meet the challenge of expanding e-government by continuing to review program activities and processes for ways to use and manage technology to achieve greater efficiencies, improve service delivery, and lighten the burden on constituents. With the increase of new, advanced, and more affordable technology for assisting persons with disabilities, the Department has an important challenge to ensure that Federal contractors employing workers, as well as those programs and agencies that prepare adults and youth for employment, provide the necessary accommodations to support persons with disabilities in their efforts to join the 21st Century workforce.

FAIR AND EQUITABLE FEDERAL CONTRACTOR WORKPLACES

Federal contractors achieve equal opportunity workplaces as demonstrated by:

- **Improving the equal employment opportunity performance of federal contractors and subcontractors within industries where data indicate the likelihood of equal employment opportunity problems is greatest. In FY 2001, identify those industries where data indicate the likelihood of equal employment opportunity problems is greatest and establish baselines;**
- **Improving the equal employment opportunity performance of federal contractors and subcontractors that have had prior contact with DOL through evaluations, outreach, or technical assistance. In FY 2001, establish baselines; and**
- **Reducing compensation discrimination by federal contractors and subcontractors. In FY 2001, establish baselines.**

Results: The goal was not achieved. For the first indicator, two industries were identified where the data indicate the likelihood of equal employment opportunity problems is greatest, and baselines indicating the extent of problems previously found were established. With regard to the second indicator, the Department established a baseline for Federal contractors and subcontractors that had failed previous compliance evaluations, but not for those contacted only through outreach or technical assistance. The Department did not develop a separate baseline for compensation discrimination, but included this issue

in the baselines created for the preceding two indicators.

Program Description: DOL is responsible for administering non-discrimination and equal employment opportunity laws and regulations that apply to Federal contractors and subcontractors, and the Employment Standards Administration's Office of Federal Contract Compliance Programs (OFCCP) provides the leadership for this program. These laws provide protections for employees and applicants on the basis of their race, color, sex, religion, national origin, disability, or status as a protected veteran. DOL monitors compliance with these laws and regulations through compliance evaluations, complaint investigations, and a comprehensive compliance assistance plan.

Analysis of Results: The Department revised the performance goal for this program for FY 2001 to measure more comprehensively the effectiveness of DOL's efforts to ensure that Federal contractors and subcontractors adhere to equal employment opportunity requirements, and developed new baselines as the first step to managing by this goal.

To address the first goal indicator, the industries selected for the likelihood of significant equal employment opportunity problems were "durable goods" and "engineering and management services" as defined in the Standard Industrial Classification, and these industries will receive targeted compliance assistance in FY 2002. The Department selected these two industries on the basis of their relatively large numbers of establishments, the nationwide distribution of their establishments, and their compliance history with DOL's Employment Standards Administration. Research on

the industries identified a baseline noncompliance rate of 49.1 percent for the "durable goods" industry and 50.4 percent for "engineering and management services."

The second indicator consists of all contractors and subcontractors that have had prior contact with OFCCP through compliance evaluation, outreach, or technical assistance. The noncompliance finding rate for establishments that had failed previous compliance evaluations is 43.4 percent. During FY 2001, OFCCP did not collect data specific to establishments reached only through outreach or technical assistance.

Upon further analysis, DOL elected not to develop a separate indicator concerning compensation discrimination, but included this issue within the two baselines established for this goal. DOL's mission is the prevention or elimination of discrimination within the federal contractor workforce community, which can occur in every facet of employment, not just compensation. Given that employment discrimination is a component of the established non-compliance baselines, and given that employment discrimination within the Federal contractor workforce occurs more frequently in other areas, such as hiring, the Department concluded that isolating the compensation issue from all other personnel activities would be inappropriate. The two indicators that DOL will pursue for this goal incorporate the Secretary's emphasis on eliminating discrimination and reflect the Department's initiative regarding compliance assistance.

DOL's performance indicators measure the effectiveness of targeted compliance assistance and the overall impact of the Department's initiatives in improving equal employment

opportunity compliance by all Federal contractors and subcontractors.

Strategies: Through compliance assistance and other contacts, such as compliance evaluations, DOL plans to educate members of the two targeted industries on compliance techniques, reducing the proportion and severity of noncompliance determinations and raising performance to the average universe rate within a 3 to 4 year evaluation period. The compliance assistance effort will provide information and assistance to the contractor community on meeting equal employment opportunity requirements outside the formal evaluation process. The compliance assistance tools used to accomplish this objective include: Contractor Informational Packets distributed at the initiation of each compliance evaluation; contractor seminars held in each of the Regions; compliance assistance information posted on the DOL/OFCCP web site http://www.dol.gov/dol/esa/public/ofcp_org.htm; and assistance available to any contractor upon request, either within or outside the evaluation process. In late FY 2001, DOL initiated an evaluation project to study the relative effectiveness of various types of compliance assistance. The information gathered from this project should help guide future compliance assistance efforts.

Goal Assessment and Future Plans: Should DOL's compliance assistance activities prove as effective as anticipated, DOL plans to expand this performance goal by selecting additional industries from its contractor universe in FY 2002 for measurement in FY 2003, following the same approach used to identify industries in FY 2001. ■

(Goal 3.2A — FY 2001 Annual Performance Plan)

PROMOTE EQUAL OPPORTUNITY UNDER THE WORKFORCE INVESTMENT ACT

DOL grant recipients and programs financially assisted under the Workforce Investment Act achieve equal opportunity workplaces as demonstrated by:

- **timely submission as required by 29 CFR 37 of 30 Methods of Administration (MOA) or in the absence of timely submissions, the issuance of a "Show Cause Notice" within 15 days of a non-timely submission.**
- **issuance of compliance determinations or conciliation agreements within 180 days for those States submitting timely MOAs.**

Results: This goal was not achieved. Although the Department issued "Show Cause" notices within 15 days to all States that did not submit timely MOAs, 52 percent of required compliance determinations or conciliation agreements were issued during the 180-day approval period for States that submitted MOAs within required timeframes.

Program Description: The Department's Office of the Assistant Secretary for Administration and Management monitors the compliance of States receiving DOL funds for job training programs with nondiscrimination and equal opportunity laws and regulations. This goal assesses the compliance of the States with regulations requiring the establishment of equal opportunity programs, policies, and procedures (State Methods of Administration) pursuant to the Workforce Investment Act.

Analysis of Results: In response to the 25 State Methods of Administration submitted on time or earlier, the Department issued compliance determinations or conciliation agreements to 13 States within the required 180-day approval period. Factors influencing performance included a heavier than expected workload as 48 States, rather than the 30 originally anticipated, submitted MOAs in FY 2001. In addition, the quality of MOAs submitted by the States varied significantly, requiring substantial time-consuming technical assistance to bring some MOAs into compliance. Despite the delays in the MOA approval process, the Department had approved 39 MOAs by the end of the fiscal year.

Goal Assessment and Future Plans: During FY 2002, DOL will complete the approval of all remaining State Methods of Administration. In addition, the Department will establish compliance measurement tools, methodologies, and a new performance goal to initiate the transition from reviewing the written nondiscrimination commitments of the States towards determining the actual performance and practices of the States and measuring results through targeted on-site compliance reviews.

(Goal 3.2B — FY 2001 Annual Performance Plan)