

**DEPARTMENT OF LABOR
FY 2006 PERFORMANCE BUDGET**

OVERVIEW

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Introduction

The Department of Labor's FY 2006 Performance Budget reflects the continuing effort to improve the integration of the Department's performance objectives with resource requirements into a performance-budget submission. The FY 2006 request of \$11.5 billion in discretionary budget authority and 16,945 full-time equivalent employees (FTE) is built around the strategic goals and performance measures developed for the Department's FY 2003-2008 Strategic Plan, which articulate the Secretary's policy and program priorities.

The FY 2006 performance budget builds upon the Department's four strategic goals of *A Prepared Workforce*, *A Secure Workforce*, *Quality Workplaces*, and *A Competitive Workforce*. In this budget, DOL specifically addresses the newly developed fourth strategic goal, *A Competitive Workforce*, which focuses on equipping workers to adapt to rapidly evolving challenges, while promoting job flexibility and minimizing regulatory burden. In order to better focus the Department's employment and training programs with the challenges of a *Competitive Workforce*, there has been considerable realignment of outcome and performance goals for these programs.

This performance budget meets the Annual Performance Plan requirement under the Government Performance and Results Act of 1993, and sets out specific annual performance targets and the strategies to attain them. Because of the variety of Departmental agency missions and their extensive and wide-ranging performance goals, this Overview section provides key agency goals that will be reflected in the Department's FY 2006 Annual Performance and Accountability Report. Appendix I has been added to reflect changes in goals from the FY 2005 Performance Budget Overview and Program Year 2004 goals that will be reported in the FY 2005 Annual Performance and Accountability Report. Appendix II indicates changes in Program Year 2005 goals from the FY 2005 Performance Budget Overview that will be reported in the FY 2006 Annual Performance and Accountability Report.

Secretary's Priorities

The mission of the Department of Labor (DOL) is to promote the welfare of the Nation's job seekers, wage earners, and retirees by improving working conditions, expanding opportunities for training and employment, protecting retirement and health care benefits, helping employers find qualified workers, strengthening free collective bargaining, and tracking changes in employment, prices, and other national economic measurements.

The FY 2006 budget submission includes several key initiatives:

- Protect workers' safety and health.
- Protect workers' pay, benefits, and union dues.
- Protect veterans' reemployment rights.

- Prepare workers for new opportunities.

In addition to these program-specific priorities, the Department has been making steady and significant progress in implementing the President's Management Agenda (PMA) and the Program Assessment Rating Tool (PART). As of December 31, 2004, DOL has attained *Green* scores in *Human Capital*, *Financial Performance*, *E-Government*, and *Budget and Performance Integration*; and has current *Yellow* status in *Competitive Sourcing*. All initiatives are at *Green* for progress scores. The Department's *Faith-based and Community* initiative has also maintained a *Yellow* status with *Green* progress. DOL is now embarked on improving its performance in the new initiatives of *Real Property* and *Elimination of Improper Payments*.

The Department has also been conducting PART reviews of key programs, and implementing their recommendations. Twenty-one programs have been reviewed to date, and agencies are using PART recommendations to improve performance measures and targets, develop efficiency measures, and focus program evaluations. A more detailed discussion of the PMA and PART can be found at the conclusion of the Performance Budget Overview. Agency budget submissions include program-related discussion of PART reviews and displays of recommendations and implementation status.

Strategic Goal Cost Model

To accomplish the Secretary's priorities in FY 2006, DOL will use its resources to accomplish four strategic goals and supporting outcome goals. These goals embrace the range of authorized employment and labor programs administered by the Department. As shown in the following table, the FY 2006 DOL request of \$11.5 billion in discretionary budget authority represents a \$0.5 billion, or a 4 percent decrease from FY 2005.

Goal 1—A Prepared Workforce: *Enhance opportunities for America's workforce*
Outcome Goal 1.1 – Increase Opportunities for Employment, Retention and Earnings for New and Re-emerging Entrants to the Workforce
Outcome Goal 1.2 – Improve the Effectiveness of Information and Analysis on the U.S. Economy

Goal 2—A Secure Workforce: *Promote the economic security of workers and families*
Outcome Goal 2.1 – Increase compliance with worker protection laws
Outcome Goal 2.2 – Protect worker benefits

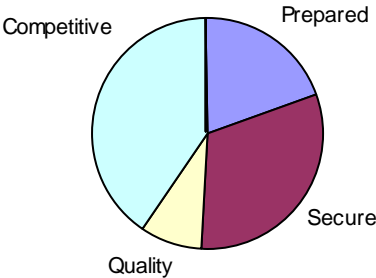
Goal 3—Quality Workplaces: *Foster quality workplaces that are safe, healthy and fair*
Outcome Goal 3.1 – Reduce workplace fatalities, injuries, and illnesses
Outcome Goal 3.2 – Foster equal opportunity workplaces

Goal 4—A Competitive Workforce: *Maintain competitiveness in the 21st century economy*
Outcome Goal 4.1 – Build a demand driven workforce system to address worker shortages and equip workers to adapt to the competitive challenges of the 21st century
Outcome Goal 4.2 – Promote job flexibility and minimize regulatory burden

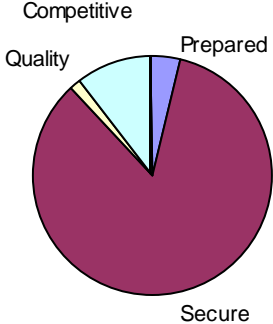
FY 2006 DOL Request (Dollars in Billions)			
	<u>FY 2005</u>	<u>FY 2006</u>	<u>Change</u>
Discretionary:	\$12.0	\$11.5	-\$0.5
Mandatory:	\$38.7	\$43.0	\$4.3
Total	\$50.7	\$54.5	\$3.8
Full Time Equivalent (FTE)	16,776	16,945	169

The following charts illustrate how the FY 2006 DOL Request supports each Strategic Goal: The Department has included several significant increases in its FY 2006 submission that support the outcome goals identified above.

FY 2006 Discretionary - \$11.5 Billion



FY 2006 Total - \$54.5 Billion



The following table identifies selected initiatives, the increase requested, and the outcome goals they support:

Agency	Initiative	FTE	Amount (000s)
Outcome Goal 1.1 - Increase opportunities for employment, retention and earnings for new and re-emerging entrants to the workforce			
ETA	Prisoner Re-entry Initiative (second year)	0	\$15,200
VETS	Homeless Veterans Reintegration Program (HVRP)	0	\$1,168
Outcome Goal 2.2 - Protect worker benefits			
EBSA	EFAST Refurbish System Hardware and Software	0	\$2,100
PBGC	Continued Service to Participants in Trusteed Plans and to Pension Plan Practitioners	0	\$25,609
ESA	Office of Labor Management Standards (OLMS) Enforcement	48	\$5,274
ESA	Office of Labor Management Standards (OLMS) Union Advisory Services	0	\$726
ESA	Federal Employees' Compensation Act (FECA) Central Bill Processing and Call Center Services	0	\$5,000
ESA	Energy Employees Occupational Illness Compensation Program (EEOICP), Funds for NIOSH/HHS	0	\$55,768
Outcome Goal 3.1 - Reduce workplace fatalities, injuries, and illnesses			
OSHA	Improved Data for Analysis and Performance Measurement	0	\$1,000
OSHA	Enhance State Plan Compliance Assistance programs	0	\$1,000

In addition, the FY 2006 DOL budget request includes major transfers of programs from other Departments to the Department of Labor and further consolidation of funding streams and accounts including:

- The President's job training reform proposal will provide increased flexibility and enable states to target resources more effectively. The proposal consolidates the WIA Adult, Dislocated Worker, and Youth funding streams, Work Opportunity Tax Credit, Labor Market Information, and the Employment Service state grants into a single state grant to facilitate coordination and eliminate duplication of services. In addition, Governors would be able to supplement this consolidated grant with their state's resources from several other Federal job training and employment programs.
- A legislative proposal to transfer the Youthbuild program from the Department of Housing and Urban Development to the Department of Labor, as recommended by the White House Task Force on Disadvantaged Youth. Moving this program to DOL will allow for better coordination with similar training programs and the One-Stop Career Center system and will result in the placement of Youthbuild in an agency whose mission is closely aligned to the program's objectives.
- Continued implementation of the new Part E of the Energy Employees Occupational Illness Compensation Program Act, which replaces the Department of Energy-administered Part D program. Part E compensates Department of Energy contractors and their families for illness and death arising from toxic exposures in DOE's nuclear weapons complex. FY 2006 will be the first full year of Part E program operation.

Relationship of the FY 2006 Performance Budget to the FY 2006 Annual Performance and Accountability Report

The four strategic goals and supporting outcome goals are in turn supported by performance goals and measures. The performance goals form the basis of the annual targets and associated strategies and resource requirements and are presented in greater detail within the agency performance-budgets. The Department will measure the key agency goals identified below for determining performance accomplishment in FY 2006.

Strategic Goal 1 — A Prepared Workforce: *Enhance opportunities for America's workforce*

A strong national economy depends, in part, on preparing new entrants to the workforce, such as out-of-school youth and ex-offenders reentering society, to be qualified job candidates who possess the skills that are demanded by employers. Many industries and sectors of the economy will be adding new jobs in the coming years or transforming their business processes, requiring new and different worker skills. To ensure a prepared American workforce, innovative approaches to workforce development and strong partnerships between the workforce system, business and industry, and education and training programs will be required.

How well the Department performs in assuring A Prepared Workforce will be assessed by targeting accomplishments for programs and initiatives supporting these two broad outcomes:

- *Increasing opportunities for employment, retention and earnings for new and re-emerging entrants to the workforce.*
- *Improving the effectiveness of information and analysis on the U.S. economy.*

Agencies supporting this strategic goal are the Employment and Training Administration, Veterans' Employment and Training Service, the Bureau of Labor Statistics, the Women's Bureau, the Office of Disability Employment Policy and the Civil Rights Center.

As stated in the Introduction section above, the Department's employment and training programs have been realigned between Strategic Goal 1 — *A Prepared Workforce* and Strategic Goal 4 — *A Competitive Workforce*. For *A Prepared Workforce*, this realignment now emphasizes the programs that are critical in developing workers with the skill and credentials necessary to fill current and emerging employment needs, while shifting those programs to *A Competitive Workforce* that directly respond to the changing needs of business by linking job seekers with employment opportunities in high-demand growth industries.

As a result of the shift of ETA performance goals from Strategic Goal 1 to Strategic Goal 4, it should be noted that this request is far lower than in prior years. Remaining in Strategic Goal 1 are the Apprenticeship, Veterans and Job Corps programs, all of which serve a large proportion of workers who may be new to the workforce. Moving to Strategic Goal 4 are the WIA state grant programs and the Trade Adjustment Assistance program, all of which serve workers seeking to utilize existing skills and perhaps enhance them in pursuit of new career opportunities.

The WIA Youth program has been added to the proposed consolidation of WIA funding streams to more effectively and efficiently prepare people for the competitive workforce. Several ETA goals (e.g., Work Incentive Grants; Older Americans/SCSEP; and Indian and Native Americans) have been assigned to Strategic Goal 4.

For a prepared workforce, the Department will concentrate resources toward preparing those segments of the workforce that do not yet have the experience, skills or training needed to compete and succeed in their work life. In FY 2006, the Department proposes to dedicate \$2.3 billion of its discretionary budget authority for agency-specific strategies supporting this strategic goal. These strategies include \$1.6 billion for training and employment programs in the Employment and Training Administration, \$188 million for training and employment programs targeted at veterans through the Veterans' Employment and Training Service, and \$542.5 million for funding dedicated to improving the effectiveness of information and analysis on the U.S. economy in the Bureau of Labor Statistics.

Outcome Goal 1.1 — *Increase opportunities for employment, retention and earnings for new and re-emerging entrants to the workforce*

Outcome Goal 1.1 has been reframed this year to emphasize preparing new entrants to the workforce. A critical aspect in ensuring a prepared workforce is developing a pipeline of workers with the skills and credentials necessary to fill the jobs of the 21st century. Strengthening the registered apprenticeship program, which responds directly to the demands of the labor market, and re-entrants to the civilian workforce including personnel separating from the military will ensure that skilled workers are continually entering productive careers and accessing job opportunities in growth industries.

Increases in the FY 2006 request supporting this outcome goal include:

- \$1.2 million for VETS to increase by 3,000 the number of homeless veterans provided employment and training services.
- \$15.2 million for the second year of the Prisoner Re-entry Initiative.

Strategies for Outcome Goal 1.1 include:

- Expand apprenticeship opportunities.
- Help ex-offenders rejoin society and find employment through the Prisoner Re-entry Initiative.
- Improve performance accountability.
- Create more business partnerships.
- Develop more intergovernmental partnerships.
- Demonstrate and assess new ways to assist veterans find jobs.
- Improve educational achievements of Job Corps students.
- Increase participation of Job Corps graduates in employment and education.
- Disseminate information and influence disability employment policy and practice.

The performance measures and indicators related to this outcome goal evaluate the results of our employment and training services — they address whether new and re-emerging participants obtain employment, remain employed, and receive higher wages.

Outcome Goal 1.1 — Increase opportunities for employment, retention and earnings for new and re-emerging entrants to the workforce

Performance Goal DOL-06-1.1A: Strengthen the registered apprenticeship system to meet the training needs of business and workers in the 21st Century (ETA)

Indicators*: The program will use common measures of entered employment, retention, earnings, and cost per participant (efficiency)

- Retention: Percent of those employed in the quarter after registration still employed nine months later
- Earnings increase: The average wage gain for tracked entrants ** employed in the first quarter after registration and still employed nine months later
- Efficiency: Average cost per registered apprentice

Baseline: TBD in FY 2005
Targets: TBD
Efficiency \$100 ***

* The Bureau of Apprenticeship and Training is moving to adopt measures consistent with the common measures, but using the Apprenticeship reporting system and not UI wage records at this time.

Note: Because apprentices are employed by definition, no entered employment measure is proposed for apprenticeship programs.

**23 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.

***This is an estimate which may be revised using FY 2005 baseline data.

Performance Goal DOL-06-1.1B: Improve educational achievements of Job Corps students, and increase participation of Job Corps graduates in employment and education (ETA)

Indicators:

- Percent of Job Corps participants who are in employment or the military or enrolled in post secondary education and/or advanced training/occupational skills training in the first quarter after exit
- Percent of students who attain a GED, high school diploma, or certificate by the end of the third quarter after exit
- Percent of basic-skills-deficient students who achieve literacy or numeracy gains of one or more Adult Basic Education (ABE) level
- Average cost per participant

Baseline: Not available
Targets: Placement in employment or education: 87%
Attainment of a degree/GED/certificate: 65%
Literacy/numeracy gains: 47%
Cost per participant: \$22,309

Performance Goal DOL-06-1.1C: Assist ex-offenders in successful reintegration into the community and workforce (ETA)

Indicators: The program will use common measures of entered employment, retention, earnings, and cost per (efficiency), as well as a measure of recidivism, yet to be determined

- Recidivism*: Recidivism rate
- Entered employment: Percent of participants who are unemployed at the time of registration who are employed in the first quarter after program exit
- Retention: Percent of participants employed in the first quarter after program exit who are still employed in both the second and third quarters after program exit
- Earnings Increase: Of those who are employed in the first quarter after exit, the increase in earnings between the first quarter and the third quarter after program exit
- Efficiency: Cost per participant

Baseline: PY 2005
Targets: Entered employment: TBD
 Employment retention: TBD
 Earnings increase: TBD
 Efficiency: TBD
 Recidivism: TBD

* Measure to be defined in PY 2005

Performance Goal DOL-06-1.1D: Improve the employment outcomes for veterans who receive One Stop Career Center services and veterans' program services (VETS)

Indicator: Veterans and Disabled Veterans: Employment after program exit

Baseline: Not Available*
Targets: Veterans: TBD
 Disabled Veterans: TBD

Indicator: Veterans and Disabled Veterans: Retention in employment after program exit

Baseline: Not Available*
Targets: Veterans: TBD
 Disabled Veterans: TBD

Indicator: Homeless veterans (subpopulation): Employment after program exit for homeless veterans participating in the Homeless Veterans' Reintegration Program (HVRP).

Baseline: Not Available*
Target: TBD

Indicator: Homeless veterans: Retention in employment after program exit for homeless veteran HVRP participants.

Baseline: Not Available*
Target: TBD

Indicator: Homeless veterans: Cost per homeless veteran HVRP participant.

Baseline: Not Available*
Target: TBD

During PY 2005, DOL will initiate collection of baseline performance data consistent with the new Common Measures for federal job training and employment training programs and will adjust or establish FY 2006 targets, as baseline results become available.

*Baseline data that comply with the definitions and specifications applicable under the Common Measures have not yet been collected.
Efficiency measures are under development for all other programs.

Outcome Goal 1.2 — *Improve the effectiveness of information and analysis on the U.S. economy*

The 21st Century requires public officials, business owners, and private citizens to be knowledgeable about trends in the global, national, and local economies. They must have access to up-to-date, high-quality information and statistics to formulate public policy, negotiate a purchasing agreement, or decide what field to pursue as a career. In all of these cases, people need sound data to make sound decisions.

The Department plays a crucial role in public and private decision-making processes by producing statistics that are relevant, timely, and accurate. Using the strategies described below, the Department will identify the most promising types of improvements, ranging from changing a statistical methodology to expanding the geographical scope of a data series to designing an entirely new survey. In addition, the Department will identify ways to improve the accessibility and usability of the data through enhanced dissemination methods.

Strategies for Outcome Goal 1.2 include:

- Better inform the public.
- Build value through innovation.
- Continually assess program priorities.
- Collaborate with other statistical agencies.
- Address respondents' concerns and burden.

The performance measures for this outcome goal highlight the accomplishments of the programs. More specifically, the Department's statistical programs produce detailed information about the labor force, prices, compensation, and productivity that individuals, corporations, and public policymakers rely upon. A desirable outcome for a major statistical agency is the ability to aid its customers in both the public and private sectors to make better-informed decisions.

The OMB-sponsored Interagency Council on Statistical Policy's *Guidelines for Reporting Performance by Statistical Agencies* provides guidance on measuring and reporting on statistical program performance. Relevancy, timeliness, and accuracy are identified as critical aspects of performance as is achieving customer satisfaction with statistical products and services. Statistical programs need to be improved as shown through setting ambitious targets for relevancy, timeliness and accuracy measures. All of these efforts support and track progress in improving information available to decision-makers.

Outcome Goal 1.2 — Improve the effectiveness of information and analysis on the U.S. economy

Performance Goal DOL-06-1.2A: Improve information available to decision-makers on labor market conditions, and price and productivity changes (BLS)			
Performance Measures	Performance Targets		
Improve information available to decision-makers on labor market conditions, and price and productivity changes	'04	'05	'06
Improve relevancy Improve data relevance by reflecting changes in the economy, as measured by the number of series (e.g., Current Employment Statistics, Employment Cost Index, etc.) converted to the North American Industry Classification System (12 series in total) [2002 baseline = 1 series]	8	9	12
Improve accuracy <i>Coverage:</i> Improve coverage by increasing the percent of domestic output of in-scope services included in the Producer Price Index (PPI) [1997 baseline = 38.8%] Improve coverage by increasing the percent of in-scope industries in the labor productivity measures [2000 baseline = 52.9%]	59.2%	75.7%	76.0%
	58.0%	58.3%	58.5%
Enhance information technology Lessen the likelihood of major systems failures that could affect the PPI's ability to release data on time, as measured by the percent of the components of the new repricing system completed [2002 baseline = 2%]	17%	40%	60%
Enhance efficiency and effectiveness Cost per transaction of the Internet Data Collection Facility (2004 baseline = \$6.13)	\$6.13	\$3.32	\$3.24
Raise customer satisfaction with BLS products and services (e.g., the American Customer Satisfaction Index) [2001 baseline = 74%] 1/	82%	75%	
Deliver economic data on time (Percent of scheduled releases issued on time.) [2000 baseline = 99%]	96%	100%	100%
Percent of accuracy measures met (e.g., revision, coverage, etc.) [2000 baseline = 94%] 2/	83%	100%	100%

1/ In 2004, the BLS measured users' satisfaction with the *Occupational Outlook Handbook* website. For 2006, BLS will set new targets for this measure due to changing its measure of users' satisfaction from electronic news subscribers to users' satisfaction with its *OOH* website.

2/ Beginning in 2005, response rates are no longer reflected in this aggregate measure.

Strategic Goal 2 — A Secure Workforce: *Promote the economic security of workers and families*

Central to the DOL mission are retirement security; compliance assistance and enforcement toward protecting workers' wages and working conditions; providing unemployment compensation and other benefits when workers are unable to work; and expanding, enhancing, and protecting workers' retirement plans, health care plans, and other benefits. The strategic goal of A Secure Workforce captures these priorities and consists of two outcome goals, which focus on safeguarding employees' wages, working conditions, and union democracy and financial integrity; and assistance in the form of unemployment, disability, and pension and health care insurance benefits.

- *Increase compliance with worker protection laws.*
- *Protect worker benefits.*

Agencies supporting this strategic goal are the Employment and Training Administration, the Employment Standards Administration, the Employee Benefits Security Administration, and the Pension Benefits Guaranty Corporation.

The Department proposes \$3.4 billion of discretionary budget authority in FY 2006 to conduct programs and activities that support *A Secure Workforce*. These programs include \$2.7 billion for state unemployment insurance administration and other ETA programs, \$602.7 million for ESA workforce protection programs, \$137 million for EBSA to protect the nation's pension and health insurance system, and \$297 million of mandatory funds for PBGC to provide payments to participants in terminated defined-benefit pension plans and assist at-risk multiemployer plans.

While our commitment to worker protection is steadfast, our approach focuses on expanding compliance assistance initiatives to help employers comply with the Department's regulations. Compliance assistance, combined with a strong enforcement program targeted to the most hazardous worksites and industries, will help prevent violations, leverage the Department's resources, and position the DOL to deal with emerging challenges.

Protecting vulnerable populations, and protecting and expanding pension and health care coverage will continue to be key issues. Continuing changes in the U.S. economy are not expected to remove or lessen workers' risk of experiencing unemployment in our dynamic market economy, so the unemployment insurance (UI) system must continue to adapt to the changing character of the workforce, job market, and nature of unemployment itself. The FY 2006 budget includes a UI legislative proposal that strengthens the financial integrity of the UI program and will reduce erroneous payments, keep state UI taxes down, and improve the solvency of the trust fund that finances UI benefits. In addition, the 2006 Budget funds two UI program integrity initiatives that will help states prevent UI identity theft and assist claimants to return to work.

The continued growth in internet use and increased networking capabilities have encouraged American businesses to shift from traditional "brick and mortar" organizational structures to business operations with lines of authority stretching across the globe. Traditional methods of

tracking, analyzing, and reporting on employer personnel practices often do not align with current business models. In addition, the Nation will increasingly rely on foreign workers to fill employers' needs in low-wage, labor-intensive industries such as agriculture, garment, health care, guard and janitorial services, restaurants, hotel/motels and day-haul. Low-wage industries that employ large numbers of vulnerable workers, including young workers, are characterized by consistently high violation rates of minimum wage, overtime and child labor requirements. Protecting the most vulnerable workers will continue to be a key focus.

Achieving health care and retirement security is becoming more complex, due to changing workforce characteristics and economic conditions. Both employees and employers are facing rising health care costs, further emphasizing the need for affordable, secure health coverage. In addition, the once-common defined benefit pension plan is giving way to defined contribution plans – pre-tax individual savings accounts such as 401(k)s. For workers, this shift means taking on more responsibility for retirement savings and planning, including making investment decisions and managing investment risks.

The profile of workplace injuries has changed along with the changing economy, requiring new disability management and vocational rehabilitation approaches. In some Federal agencies, the number of jobs available to recovering injured workers is declining and the average age of workers is rising. In general, a 21st century Federal workforce will require that its workers upgrade their skills. These factors make assisting return-to-work and reducing disability time loss in workers' compensation cases a greater challenge for the Department.

Outcome Goal 2.1 — *Increase compliance with worker protection laws*

The Department is committed to guaranteeing an honest day's pay for an honest day's work for employees — particularly the most economically disadvantaged and vulnerable workers. This includes administration of the Fair Labor Standards Act (FLSA), which establishes minimum wage, overtime pay, recordkeeping, and child labor standards affecting full-time and part-time workers. This also includes administration of the Migrant and Seasonal Agricultural Worker Protection Act (MSPA), which regulates the hiring and employment activities of agricultural employers, farm labor contractors, and associations using migrant and seasonal agricultural workers. Through its administration and enforcement of the Labor-Management Reporting and Disclosure Act (LMRDA), the Department ensures union democracy, financial integrity and transparency.

Strategies for Outcome Goal 2.1 include:

- Protect workers through compliance assistance.
- Create more knowledgeable employees through outreach and education.
- Target enforcement efforts.

The performance goals associated with this outcome goal are: *American workplaces legally employ and compensate workers and ensure union financial integrity, democracy and transparency.*

Outcome Goal 2.1 — Increase compliance with worker protection laws

Performance Goal DOL-06-2.1A: American workplaces legally employ and compensate workers (ESA)	
Indicators: Covered American workplaces legally, fairly, and safely employ and compensate their workers by:	
<u>Ensuring customer service:</u>	
<ul style="list-style-type: none"> Ensuring continued customer service by decreasing the average number of days to conclude a violation complaint 	Baseline FY 2004: 189 Target: 185
<u>Reduce employer recidivism:</u>	
<ul style="list-style-type: none"> Reducing employer recidivism by increasing the percent of prior violators who achieved and maintained Fair Labor Standards Act (FLSA) compliance following a full FLSA investigation 	Baseline FY 2004: 71% Target: 73%
<u>Increase compliance in industries with chronic violations.</u>	
<ul style="list-style-type: none"> Increasing compliance in low-wage industries by increasing the percent of low-wage workers across identified low-wage industries paid and employed in compliance with FLSA and MSPA 	Baseline: Establish in FY 2005 Target: TBD
<u>Ensuring timely and accurate prevailing wage determinations:</u>	
<ul style="list-style-type: none"> Ensuring the accuracy and timeliness of prevailing wage determinations by increasing the number of wage determination data submission forms processed per 1,000 hours 	Baseline: 1,491 Target: 1,521
<ul style="list-style-type: none"> Increase the percent of survey-based DBA wage determinations issued within 60 days of the receipt of the underlying survey data 	Baseline FY 2002: 100% Target: 82%

Performance Goal DOL-06-2.1B: Ensure union financial integrity, democracy, and transparency (ESA)	
Indicators:	
<ul style="list-style-type: none"> Union financial integrity. Percent of unions with fraud 	Baseline FY 2004: 9% Target: 7.5%
<ul style="list-style-type: none"> Union financial integrity: Union dollars protected per FTE * 	Baseline: TBD in FY 2005 Target: TBD
<ul style="list-style-type: none"> Union transparency. Percent of union reports meeting standards of acceptability for public disclosure 	Baseline: 73% Target: TBD
* Baseline must be re-measured because of union reporting changes that will be effective in FY 2006	

Outcome Goal 2.2 — *Protect worker benefits*

Protecting workers' benefits is a key component of the Department's goal to promote the economic security of workers and their families. Strategies address a number of new issues affecting unemployment, foreign labor, and employee benefits. For example, the Administration projects that unemployment will decline to 5.1 percent by FY 2007. However, a smaller proportion of unemployment claims are expected to be as a result of layoffs, and therefore claims may be more likely to contain eligibility issues and errors.

Specific increases in the FY 2006 request supporting this outcome goal include:

- \$2.1 million for EBSA to support its ERISA Filings Acceptance System — a key element in its employee pension and health benefits security mission.
- \$25.6 million for PBGC to provide continued service to increased participants in trusteed plans and to pension plan practitioners.

Depending on the rate of economic recovery and the performance of financial investment, more pension plans may be trusteed under the administration of the Pension Benefit Guaranty Corporation over the next five years. In addition, the transition of more Americans to 401(k) and managed health care plans will place more of the burden for retirement savings and health care choices on employees. Finally, the workers' compensation programs administered by DOL face the same challenge as the Nation. An increasingly aging population and rising health care costs will increase the focus on these programs, resulting in efforts to improve program efficiency.

Strategies for Outcome Goal 2.2 include:

- Provide oversight and assistance to States.
- Improve information access and analysis.
- Create more knowledgeable consumers through outreach and education.
- Streamline processing.
- Assist return to work through better coordination of medical treatment.

Performance goals associated with this outcome goal are *Make timely and accurate payments to unemployed workers and facilitate their reemployment; Minimize impact of work-related injuries; Enhance employee pension and health benefits security; and Improve pension payment processing.*

Outcome Goal 2.2 — Protect worker benefits

Performance Goal DOL-06-2.2A: Make timely and accurate benefit payments to unemployed workers and facilitate their reemployment (ETA)

Indicators:

- Payment Timeliness: Percent of intrastate first payments made within 21 days*

Baseline (FY 2001): 89.1%
Target: 90.3%

- Detect Overpayments: Establish for recovery a percent of the amount of estimated overpayments that States can detect and recover.

Baseline (FY 2001): 57.9%
Target: 59.5%

- Facilitate Reemployment: Entered employment rate for UI beneficiaries

Baseline: (FY 2001): NA
Target: establish baseline **

- Establish Tax Accounts Promptly: Percent of new employer liability determinations made within 90 days of the end of the first quarter in which liability occurred.

Baseline (FY 2001): 79.1%
Target: 82.5% within 90 days

*First payment time lapse is measured as the number of days between the last day of the first week of unemployment for which a claimant is eligible for a UI payment and the date the first payment is made. Based on regulation at 20 CFR 640, in the 42 states for which the first eligible week is a non-compensable "waiting week," a payment is timely if made within 14 days of the end of the first week that is compensable. In the other 11 states, a payment is timely if made within 21 days. This rule gives both sets of states 21 days to process a timely payment.

** Subject to approval for data collection in FY 2006.

Performance Goal DOL-06-2.2B: Minimize the impact of work-related injuries (ESA)

Indicator: For FECA cases of the United States Postal Service, achieve a lost production days (LPD) rate (LPD per 100 employees) of 146 days.

Baseline FY 2003: 147.6 days
Target: 146 days

Indicator: For FECA cases of All Other Government Agencies, achieve a lost production days rate (LPD per 100 employees) of 60 days.

Baseline FY 2003: 56 days
Target: 60 days

Indicator: Through staff-initiated evaluation of cases under Periodic Roll Management for changes in medical condition and fitness for duty, produce \$X million in savings in FY 2006

Baseline: NA
Target: TBD

Indicator: The trend in the indexed cost per case of FECA cases receiving medical treatment will remain below the comparable measure for nationwide health care costs.

Baseline: Milliman U.S.A. Health Costs Index
Target: Remain below Milliman HCI

Indicator: Achieve targets for five communications performance areas.

Targets: Meet at least four of the five following targets:
Use of FECA program electronic services – 2.838 million contacts
Average Caller wait times - 3.0 minutes
Average time to return calls – 2.6 days
Calls resolved on the first try – 67%
Calls handled according to program quality standards – 95%

Indicator: Reduce the average time required to resolve disputed issues in Longshore and Harbor Worker's compensation Program contested cases (New measure in 2005).

Baseline FY 2005: TBD
Target: TBD

Indicator: Increase by 11 percent above the baseline the average percent of Black Lung benefit claims for which following an eligibility decision by the district director, there are no requests for further action pending one year after the date the claim is filed.

Baseline FY 2001: 66.5%
Target: 77.5%

Indicator: Increase initial claims for benefits in the Part B Energy Program that are processed within standard timeframes.

Baseline: 75%
Target: 82%

Indicator: Increase the percent of Final Decisions in the Part B Energy Program that are processed within standard timeframes.

Baseline: 75%
Target: 82%

Indicator: Issue payments or final decision on X% of Part E claims previously filed with the Department of Energy under Part D.

Baseline: TBD
Target: TBD

Performance Goal DOL-06-2.2C: Enhance Employee Pension and Health Benefits Security (EBSA)

Indicators:

- Achieve a 69% ratio of closed civil cases with corrected violations to civil cases closed

Baseline (FY 1999-2001 Average): 46.04%%
Target: 69%

- Achieve a 40.2% ratio of criminal cases referred for prosecution to total criminal cases

Baseline (FY 1999-2001 Average): 23.45%
Target: 40.2%

- Achieve a Customer Satisfaction Index of 65, or comparable measurement, for participants and beneficiaries who have contacted EBSA for assistance

Baseline FY 2003: 59
Target: 65

- Achieve 8,757 applications to Voluntary Compliance programs

Baseline (FY 2001-2003 Average): 7,564
Target: 8,757

Performance Goal DOL-06-2.2D: Improve service to pension plan customers (PBGC)

Indicators:

- Pension Practitioner Service: Achieve a Customer Satisfaction score of 74 for practitioner callers in FY 2006

Baseline FY 2002: 69
Target: 74

- Participant Service: Achieve a Customer Satisfaction score of 80 for responding to trustee plan participants' inquires in FY 2006

Baseline FY 2001: 73
Target: 80

Strategic Goal 3 — Quality Workplaces: *Foster quality workplaces that are safe, healthy and fair*

The goal of quality workplaces requires that American work environments are safe, healthy, and fair. Achievement of this goal requires the use of complementary strategies of the compliance assistance, enforcement, and education, outreach, and training. Each of the *Quality Workplaces* goal elements are further defined with results targets in two broad outcome goals:

- *Reducing workplace injuries, illnesses, and fatalities.*
- *Fostering equal opportunity workplaces.*

Agencies supporting this strategic goal are the Occupational Safety and Health Administration, the Mine Safety and Health Administration, the Employment Standards Administration, and the Veterans' Employment and Training Service.

OSHA and MSHA represent the agencies with the largest share of the Department's budget resources dedicated to supporting *Quality Workplaces*. In FY 2006 the Department requests \$1.0 billion in discretionary budget authority to support this strategic goal, including, \$467 million for OSHA programs and \$280.5 million for MSHA programs.

Significant progress has been made in protecting workers from occupational safety and health threats. In the past thirty years, workplace fatalities have been cut in half and occupational injury and illness rates have declined forty percent. However, the Department continues to confront a variety of challenges. The number of workers DOL is responsible for protecting has expanded dramatically, nearly doubling between during this period, from 58 million workers at 3.5 million worksites to 108 million workers at seven million establishments. Rapid technological advances and dynamic workplace environments have changed the nature of work, creating new health and safety challenges. For example, emerging safety and health threats include fall hazards from wireless communication and HDTV tower construction and occupational asthma and exposures to new chemicals. The Department's strategies for reducing workplace hazards have not traditionally addressed these segments of the workforce. Changes in workplace demographics create an increasing challenge to work place safety and health — the increase of immigrant and hard-to reach workers, a growing percentage of young workers, those continuing to work at an older age, and the rapidly increasing number of temporary workers.

The mining environment, whether underground or surface, is complex and ever-changing. Unseen geologic instabilities, constantly changing terrain, and the prevalence of large and complex haulage and mining equipment are a few of the factors that make maintaining mine safety a continuing challenge.

Equality and fair play are central values in our national life. DOL promotes these values through its administration of anti-discrimination and equal employment opportunity regulations for Federal contractors and subcontractors, who employ more than 20 percent of the labor force in America or approximately 26 million workers. Many Federal contractors have demonstrated their commitment to equal opportunity and have adopted inclusive human resource policies and procedures at all levels. Notwithstanding this past success, discrimination still exists in the

workplace and Federal contractors may still need assistance to meet their affirmative action obligations.

Improving the safety and health of the American workplace must be done in partnership with workers, employers, and other levels of government. Each shares responsibility to seek out and employ the best workplace safety practices as the conditions and demands of an evolving economy warrant.

Outcome Goal 3.1 — *Reduce workplace injuries, illnesses, and fatalities*

The Department strives to make American workplaces the safest in the world. Over the last several years, the Department has sought to create a commitment to workplace safety and health by both employers and workers. We are encouraged by the progress that they have made in reducing workplace injuries and illnesses. Nevertheless, significant hazards and unsafe conditions continue to exist in the workplace. According to the National Institute for Occupational Safety and Health, businesses spend \$171 billion a year on costs associated with occupational injuries and illnesses, expenditures that come straight out of company profits.

The Department will reach and maintain a healthy balance among enforcement, education and training, which includes compliance assistance and technical support, while improving our leadership role in the national safety and health dialogue, expanding outreach, and expanding opportunities for voluntary and cooperative programs. We will work to ensure that employers have access to DOL resources to assist them in preventing workplace injuries and illnesses. DOL plans to identify the most critical safety and health problems and create strategies to address them. The FY 2006 request for OSHA includes an increase of \$1.0 million for improved data for analysis and performance measurement, which is necessary for more meaningful and proactive strategic management planning; and \$1.0 million to enhance State Plan compliance assistance services and activities.

Strategies for Outcome Goal 3.1 include:

- Strong, effective and fair enforcement;
- Expand outreach, education, and compliance assistance efforts; and
- Encourage partnerships and voluntary programs.

The performance goals related to this outcome goal directly measure reductions in workplace injuries, illnesses and fatalities, across general industries and specifically mining. Exposures to health hazards, such as noise and respirable dust, are also measured in the mining industry.

Outcome Goal 3.1 — Reduce workplace injuries, illnesses, and fatalities

Performance Goal DOL-06-3.1A: Reduce work-related fatalities (OSHA/MSHA)

Indicator: Reduce the rate of workplace fatalities by 9 percent from baseline (for sectors covered by the Occupational Safety and Health Act) (OSHA)

Baseline: 1.62 fatalities per 100,000 workers (FY 2000 - 2002 average)
Target: 1.47 fatalities per 100,000 workers (FY 2004 - 2006 average)

Indicator: Reduce the mine industry fatal injury incidence rate by 15 percent from the baseline by the end of FY 2008 (MSHA)

Baseline (FY 2003): 0.0229 fatalities per 200,000 hours worked
Target (FY 2006): 0.0208 fatalities per 200,000 hours worked

Performance Goal DOL-06-3.1B: Reduce work-related injuries and illnesses (OSHA/MSHA)

Indicator: Reduce the rate of workplace injuries and illness by 12 percent from baseline (OSHA)

Baseline: 1.6 days away from work cases per 100 workers (CY 2002)
Target: 1.4 days away from work cases per 100 workers (CY 2006)

Indicator: Reduce the mine industry all-injury incidence rate by 50 percent from the baseline by the end of FY 2008 (MSHA)

Baseline FY 2000: 5.07
Target: 3.13

In the mine industry, improve miner health by implementing the following indicators:

Indicators:

- Reduce respirable coal dust samples exceeding applicable standards by 5% for designated occupations

Baseline: FY 2003/2004: 10.7%
Target: 9.6%

- Increase silica dust samples with a C/E ratio of at least .50 by 5%

Baseline: TBD
Target: 5% increase from baseline

- Increase noise samples in metal and non-metal mines with a C/E ratio of at least .50 by 5%

Baseline: TBD
Target: 5% increase from baseline

- Reduce noise exposures above the citation level in coal mines by 5%

Baseline: TBD
Target: 5% reduction from baseline

*Targets are under revision because FY 2003 and FY 2004 results greatly exceeded performance targets.

Outcome Goal 3.2 — Foster equal opportunity workplaces

DOL is committed to fostering workplaces that are free of discrimination and that guarantee equal opportunities and fairness to working Americans. The Department monitors Federal contractors compliance with applicable laws and executive orders, and ensures that minorities, women, individuals with disabilities, and eligible veterans are afforded an equal opportunity to compete for employment and advancement. The Department believes that the best method to achieve equal opportunity workplaces is by focusing resources on finding and resolving systemic discrimination, a pattern or practice of unlawful discrimination involving a significant number of workers. The Department has developed goals that emphasize the use of compliance assistance as a component of its enforcement strategy for informing Federal contractors of their obligations and in helping Federal contractors comply with those requirements. The Department also protects the civilian employment rights and opportunities of members and veterans of our military services.

Strategies for Outcome Goal 3.2 include:

- Monitor and vigorously enforce compliance with federal equal employment opportunity laws.
- Enhance compliance assistance for Federal contractors.
- Minimize the disadvantages to civilian employment that can result from uniformed service.

The performance goals related to this outcome goal measure decreases in employment discrimination rates among Federal contractors resulting of OFCCP activities, and the extent to which program activities lower the barriers faced by military personnel in the civilian workforce. Achieving these goals will help ensure that all of America’s workers have equal opportunities to compete for and achieve rewarding employment free of discrimination.

Outcome Goal 3.2 — Foster equal opportunity workplaces

Performance Goal DOL-06-3.2A: Federal contractors achieve equal opportunity workplaces (ESA)	
<p>Indicator: Reduce the incidence of discrimination among Federal contractors.</p> <p>* Targets are under review.</p>	<p>Baseline FY 2001: 12.5%</p> <p>Target: 6.0%*</p>
<p>Indicator: Increase compliance among Federal contractors in all other aspects of equal opportunity workplace standards.</p> <p>* Targets are under review.</p>	<p>Baseline FY 2001: 57%</p> <p>Target: 64%*</p>

Performance Goal DOL-06-3.2B: Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment (VETS)

Indicator: Percent USERRA cases conducted in an effective manner as defined by procedural guidelines and by substantive analysis

Baseline: TBD (FY 2005)*

Target: TBD

*A target for the USERRA quality measure for PY 2006 will be established on the basis of the baseline results to be collected during PY 2005.

Indicators:

- Percent of USERRA cases resolved within 90 days after filing

Baseline (FY 2004): 84%

Target: 85%

- Percent of USERRA cases resolved within 120 days after filing

Baseline (FY 2004): 91%

Target: 90%

- Percent of USERRA cases resolved within one year after filing

Baseline (FY 2004): 99%

Target: 98%

Strategic Goal 4 — A Competitive Workforce: *Maintain competitiveness in the 21st Century economy*

This last strategic goal, *A Competitive Workforce*, addresses the issues facing us as the Department adapts and prepares to capture the vision of the Department's 21st Century Workforce initiatives and consists of two outcome goals:

- *Build a demand driven workforce system to address worker shortages and equip workers to adapt to the competitive challenges of the 21st century.*
- *Promote job flexibility and minimize regulatory burden.*

Our first outcome goal — Build a demand driven workforce system to address worker shortages and equip workers to adapt to the competitive challenges of the 21st century — focuses on workforce gaps that are likely to occur, including labor shortages for new and replacement workers, with an emphasis on knowledge workers. The second — Promote job flexibility and minimize regulatory burden — focuses on adopting innovative approaches for establishing an effective regulatory environment and expanding workplace flexibility that are consistent with the changing nature of work in the 21st Century. This goal is supported by the full complement of DOL agencies.

Our country's economic development and global competitiveness depend on the competitiveness of our workforce. To succeed, our policies must embrace the emerging changes in our economy — in how we actually work, where we work, what skills we need, and how we balance our professional and family lives.

While employers and workers bear ultimate responsibility for adapting to these challenges, DOL has a leadership responsibility to support the needs of the changing workforce and position the U.S. for continued economic development and growth. The knowledge-based workplace will require a higher level of technical skills creating opportunities for many to succeed, but carrying the potential for some to fall farther behind. At the same time, an increasingly competitive and global economy will put pressure on our regulatory environment. Historically, we developed our labor policies and programs under conditions of labor surpluses and based our employment laws and regulations on traditional, full-time, long-term work arrangements. Over the next two decades, the relevance of these, and other assumptions will be challenged.

For a competitive workforce the Department will concentrate resources on those workforce segments that have work experience and skills, but who also need skill upgrades, desire to shift industries or occupations, or need help in readjusting to the changing economy.

The Department requests \$6.1 billion in discretionary budget authority in FY 2006 for programs that strive to maintain competitiveness in the 21st Century economy. This funding level in Strategic Goal 4 is primarily due to the shift of ETA resources associated with Strategic Goal 1 in prior year performance budgets, namely the WIA Plus Consolidated Grant program. This new alignment supports the Secretary's priorities and focus for *A Competitive Workforce*.

As the 21st Century unfolds, the American workforce will evolve to something different. Two powerful forces will transform the workforce and the manner in which we work:

- A sharp increase in the demand for knowledge workers.
- Greater use of alternate work arrangements that do not fit the traditional work model.

These forces have significant implications for our economy and the way DOL approaches its mission. Our challenge is to anticipate these changes to ensure that our programs and regulatory processes address contemporary work environment issues in a forward-looking way that contributes to economic growth, changing technology, and the changing workplace.

Our future prosperity demands the world's most skilled and productive workforce. A key aspect of meeting this challenge involves the long-term shift from goods-producing to service-producing employment associated with the decline in manufacturing employment and the dramatic increase in the demand for knowledge workers — people whose jobs require formal and advanced schooling. Knowledge workers now account for a third of the American workforce, outnumbering factory workers by two to one. The demand for knowledge workers is outpacing supply, resulting in attractive, high-paying jobs going unfilled. When companies do not find the talent they need within our borders, they seek it abroad. Global competition will reinforce the economic premium on knowledge workers, leaving low or unskilled U.S. workers increasingly vulnerable.

The shift to knowledge work will reinforce the ongoing trend of “non-traditional” work arrangements. Today, few workers can count on spending their entire careers within one company. A recent BLS press release from the National Longitudinal Survey states that “individuals held an average of 10.2 jobs from ages 18-38.” Full-time, stable, long-term employment arrangements will continue to decline. Instead, a growing number of workers will be part-timers, temporaries, consultants, or contractors.

Competing demands for Americans' time are also increasing. Among the world's industrialized nations, only the workers of Australia and Korea report working more hours than American and Japanese workers. Many workers are struggling to meet their family obligations, which have expanded in many cases to taking care of their elderly parents. Consequently, the need to balance work demands and home life will continue to be a growing concern.

DOL has made significant progress advancing labor issues for many years. However, for us to provide essential leadership to meet future challenges, we are shifting to a more forward-looking role that emphasizes:

- Identifying high-growth careers that require some post-secondary education but not four year degrees.
- Identifying high-growth industries and the career ladders they offer.
- Promoting training in industries with skill shortages through grants for training in community and technical colleges.
- Focusing on success by reforming Federal job training and employment programs.
- Offering better, faster foreign labor certification.

- Fostering a competitive economic environment.
- Implementing practical, effective regulations and regulatory approaches.

Outcome Goal 4.1 — *Build a demand driven workforce system to address worker shortages and equip workers to adapt to the competitive challenges of the 21st century.*

The nation's future success will largely depend on our ability to continue to meet the needs of employers for new and skilled workers. To this end, DOL is committed to ensuring that the workforce investment system is responsive to the changing needs of business and is focused on linking job seekers with opportunities in high growth industries. DOL will strengthen partnerships among the workforce system, business and industry, education and training providers, and economic development agencies. These partnerships are critical to understanding the skills demanded by the labor market and will enable the Department to make informed investments in job training. Furthermore, DOL will take the necessary steps to ensure that the tools and information needed to understand emerging workforce issues are available. Finally, to maintain the nation's competitiveness, the workforce investment system will reach out to available workers, particularly in special target populations, so that there are enough skilled workers to fill the jobs of the 21st century.

The Department's ability to contribute to maintaining a competitive workforce will be assessed through our efforts to: develop more responsive workforce information by establishing a research and information analysis agenda that contributes to our ability to forecast emerging workforce issues; address worker shortages in sectors of the American economy; and, build a demand-driven workforce system, with particular emphasis on assisting high growth industries. Included in this outcome goal is \$250 million for a second year of funding of the President's Community College Initiative to provide Community Based Job Training Grants.

The youth population is once again a growing segment of our population. The majority of jobs will continue to require workers who have acquired knowledge and skills via two-year colleges, vocational training, moderate to long-term on-the-job training and real work experience. The result for those who do not obtain the education and skills that the workplace demands is quite clear. Since 1979, according to 2003 BLS data, high school drop-outs are three times more likely to be unemployed than college graduates, and real earnings of college graduates have increased 19 percent, while those of high school graduates fell 5 percent.

To make our programs more comprehensive and supportive of the needs of youth, adults, and business, we have adopted the following new principles and strategies to guide our programs:

Strategies for Outcome Goal 4.1 include:

- Establish a business intelligence and research function that identifies trends and provides policy guidance.
- Increase individual control over employment and training.
- Improve the administration and delivery of services to trade-impacted workers.
- Increase employment opportunities for persons with barriers to employment.

- Increase opportunities for participation of low-income and hard- to-serve populations in employment and training programs through partnerships with community- and faith-based organizations.
- Improve communication and collaboration among businesses, workers and training providers.
- Establish crosscutting strategic initiatives with other government agencies.
- Stimulate investment in longer term and continuing training.
- Build a demand-driven workforce system.
- Improve the Foreign Labor Certification Programs.
- Ensure that youth programs have a strong educational component.
- Bolster opportunities for individuals with disabilities, minorities and disadvantaged populations.
- Equip individuals with the information they need to develop the knowledge, skills, and abilities sought by the new economy.
- Increase attainment of high school credentials.
- Enhance the mix and relevance of career offerings in youth training programs.
- Increase business and intergovernmental partnerships.

Many of the challenges described in Outcome Goal 4.1 will impact the Nation more significantly in the years beyond the current strategic plan timeframe. The major activities realigned under Goal 4, including the consolidated WIA grant programs, Trade Adjustment Assistance, and the Senior Community Employment Service Program will use the common measures of entered employment, employment retention, earnings, and efficiency, as highlighted below.

Performance Goal DOL-06-4.1A: Improve opportunities for employment, retention, and earnings for youth, adults, and dislocated workers through a Consolidated WIA Program (ETA)

Indicators (Primary)*:

- Percent of participants who are employed in the first quarter after program exit after having been unemployed at registration
- Percent of those employed in the first quarter after program exit still employed in the second and third quarters after program exit
- Earnings Increase I: The increase in earnings of participants employed between the period one quarter prior to registration and the first quarter after exit.
- Earnings Increase II: The increase in earnings of participants employed between the first quarter after program exit and the third quarter after program exit
- Cost per participant

Baselines: TBD

Targets: TBD

*Proposed consolidation will require collection of new baseline information, including cost per individual, since the number of individuals and services provided is likely to change as a result of the consolidation.

Dislocated workers includes those served by National Emergency Grants

Indicators (Secondary):

- Percent of participants not in post-secondary education, employment, or the military at registration who enter employment or enroll in post-secondary education or advanced training/occupational skills training, or the military in the first quarter after exit;
- Percent of participants enrolled in education (at registration or at any point during the program) who attain a diploma, GED, or certificate by the end of the third quarter after exit;
- Percent of participants deficient in basic skills who achieve literacy or numeracy gains of one Adult Basic Education (ABE) level (Gains will be measured annually and/or upon program exit. One ABE level is approximately equivalent to two grade levels)

Baselines: Baseline for the entered employment/education and education attainment measures will be established in PY 2005. The literacy/numeracy measure baseline will be established in PY 2006.

Targets:

Entered Employment/Training: TBD

Attainment of Diploma/Certificate: TBD

Literacy/Numeracy Gains: Baseline data will be collected

Performance Goal DOL-06-4.1B: Assist workers impacted by international trade to better compete in the global economy through the Trade Adjustment Assistance Program (ETA)

Indicators:

- Entered Employment: Percent of participants employed in the first quarter after program exit
Baseline: FY 2001: 65%
Target: 70%
- Retention: Percent of those employed in first quarter after program exit still employed in the third quarter after program exit
Baseline: FY 2001: 90%
Target: 89%
- Earnings: Average percentage of pre-separation earnings earned by participants who are employed in the third quarter after program exit
Baseline: FY 2001: 85%
Target: 80%
- Efficiency: The cost per training participant, including training services, job search and relocation allowances and income support
Baseline:
Target: \$16,000

Note: while targets have been established for prior measures, FY 2006 is also the baseline year for common measures.

Performance Goal DOL-06-4.1C: Assist older workers to participate in a demand-driven economy through the Senior Community Employment Service Program (ETA)

Indicators:

- Entered Employment: Percent of participants leaving the program employed in the first quarter after program exit
- Retention: Percent of participants employed in the first quarter after program exit still employed in the second and third quarters after program exit
- Earnings Increase I: The earnings increase of individuals employed between the period of one quarter prior to registration and the first quarter after program exit
- Earnings Increase II: The earnings increase of individuals employed between the first quarter after program exit and the third quarter after program exit
- Efficiency: Average cost per participant

Baseline: Common Measures baselines will be established in PY 2004 and targets will be set in subsequent years
Targets: TBD
Efficiency: \$4,772

Performance Goal DOL-06-4.1D: Address worker shortages through the Foreign Labor Certification Program (ETA)

Indicators:

- Percent of H-1B applications processed within seven days of the filing date for which no prevailing wage issues are identified

Baseline: 99%
Target: 100%

- Percent of employer applications for labor certification under the streamlined system that are resolved within six months of filing

Baseline: Collect baseline data in FY 2005
Target: Set target in FY 2006

- The average cost for processing a new PERM application

Baseline: Collect baseline data in FY 2005
Target: Set target in FY 2006

- Number of audits conducted for the H-2B program

Baseline: Collect baseline data in FY 2005
Target: 5% over baseline

- Percent of accepted H-2A applications processed within 30 days of the date of need where there are no pending State actions

Baseline: 70%
Target: 95%

Performance Goal DOL-06-4.1E: Build a demand-drive workforce system (ETA)

The Community College Initiative/Community Based Job Training Grants will be funded for the first time in PY 2005, as authorized and appropriated through the FY 2005 Omnibus Appropriations Act. ETA intends to develop information collection systems to address the common measures of:

Indicators:

- Entered Employment - Percent of participants employed in the first quarter after program exit
- Retention - Percent of participants employed in the first quarter after program exit still employed in both the second and third quarters after program exit
- Earnings Increase I - The earnings increase of individuals employed between the period of one quarter prior to registration and the first quarter after program exit
- Earnings Increase II - The earnings increase of individuals employed between the first quarter after program exit and third quarter after program exit
- Efficiency - Average cost per participant
- Capacity Building: ETA may also develop a measure(s) of capacity building to complement the common measures since the program includes capacity building goals.

ETA also operates programs for Native Americans, the disabled (Work Incentive Grants), and the proposed community based job training grants that also will use the common measures of entered employment, retention, earnings, and efficiency. Other significant undertakings by ETA include providing workforce information to business, workers, and education through the e-tools web services and an extensive research and evaluation program, as mandated under WIA. Details on these activities may be found in ETA portion of the FY 2006 ETA budget. ETA also administers several employment-based foreign labor certification immigrant and non-immigrant programs and has given priority to continuously improving program performance through process reengineering to achieve expeditious and cost-effective application processing.

Outcome Goal 4.2 — *Promote job flexibility and minimize regulatory burden*

Many employers, to compete more effectively in the highly competitive global economy, have restructured their companies, downsized their workforces, and increasingly relied on non-traditional employment practices that include part-time, temporary, and contractor-supplied workers. Experts expect these non-traditional work arrangements to increase substantially in coming decades. It is estimated that within 25 years, half the people who work for an organization will not be on its payroll. At the same time, on average, Americans are working more hours and many have difficulty balancing work demands with their personal lives.

We need to promote the greater flexibility desired by workers and employers. This includes examining and possibly adjusting our regulatory environment — employment related laws, regulations and regulatory practices — in light of non-traditional work arrangements and the need to reduce regulatory burden. In particular, some regulations written decades ago may no longer be applicable or effective; they may impose costs on employers without yielding any corresponding benefits to the workforce.

Strategies for Outcome Goal 4.2 include:

- Assess and revise regulations.
- Re-analyze our regulatory approaches to reduce regulatory burden.
- Promote flexible work practices.

The performance goal related to this outcome of promoting job flexibility and minimizing regulatory burden while protecting workers centers around taking a comprehensive and strategic approach toward our ability to influence the work environment and implement a new regulatory infrastructure. Many of the indicators represent key steps in analyzing the changes needed and are therefore more output oriented during the current strategic planning cycle. Outcome-oriented performance goals will be developed after new policies and programs have been implemented based on the results of the proposed evaluations.

Outcome Goal 4.2 — Promote job flexibility and minimize regulatory burden

Performance Goal DOL-06-4.2A: Maximize regulatory flexibility and benefits and promote flexible workplace programs (ASP)
<p>Wage and hour, worker safety, pension and health care regulations, to the greatest extent practicable, are performance-based and provide maximum flexibility to employers in developing a compliance approach.</p> <p>Indicator: FY 2006: Review identified significant regulations and develop revisions</p> <p>Target: Initiate rulemaking for revisions as appropriate</p> <p>New and current regulations maximize net benefits. Regulations that impose greater societal costs than benefits are revised, consistent with applicable governing statutes</p> <p>Indicator: FY 2006: Regulations identified for revisions for withdrawals as appropriate</p> <p>Target: Initiate rulemaking as appropriate</p> <p>DOL ensures compliance with its regulations in the most cost-effective manner. Non-cost-effective practices are modified or eliminated, consistent with governing statutes.</p> <p>Indicators:</p> <ul style="list-style-type: none">• Develop plan to reduce unit cost per enforcement action. Initiate changes to non-cost effective practices• Best practices for, and models of, flexible workplace practices are identified and publicized <p>Baseline: FY 2004: Develop best practices studies Target (FY 2006): Best practices disseminated</p>

- Increase the percentage of small employers with access to health care benefit plans*

Baseline: 2004%
Target: TBD%

* Consistent with and contingent upon the passage of Association Health Plan legislation now pending before Congress.

Meeting the President’s Management Agenda











In 2001, the Office of Management and Budget (OMB) released the President’s Management Agenda (PMA), designed to help agencies improve management performance. The five government-wide PMA initiatives are:

- *Strategic Management of Human Capital*
- *Competitive Sourcing*
- *Improved Financial Performance*
- *Expanded E-government*
- *Budget and Performance Integration*

DOL is also participating in three program initiatives that apply only to selected Federal Departments and Agencies:

- *Faith-Based and Community Initiative*
- *Real Property*
- *Elimination of Improper Payments*

In order to measure progress against demonstrated goals, OMB’s PMA portfolio managers were asked to identify where they would be proud to be in their respective PMA components as of July 1, 2004 and yet again as of July 1, 2005. In turn, Federal agency leadership was tasked with identifying separate *Proud to Be* goals related to PMA implementation. The Department set ambitious but reachable goals for its PMA implementation, and as of the December 31, 2004 PMA scorecard, the Department of Labor remains near the top of all Cabinet Departments with four *Green* status scores on the five government-wide President’s Management Agenda components — along with five *Green* progress scores. DOL also maintained a *Yellow* status and *Green* progress score for its implementation of the *Faith-based and Community* initiative.

	Current Status	Progress
Human Capital	 Green	 Green
Competitive Sourcing	 Yellow	 Green
Financial Performance	 Green	 Green
E-Government	 Green	 Green
Budget & Performance Integration	 Green	 Green

On December 14, 2004, the Department received two President's Quality Awards in the *Strategic Management of Human Capital* and *Budget and Performance Integration* — the highest recognition by the Federal Government for managerial excellence. However, we recognize our work on PMA implementation is far from over. We must still remain steady on the five government-wide PMA components — improving in implementation where we can. DOL has just begun to tackle the just-launched *Federal Real Property Asset Management* initiative, which was designed to apply management to underused and unneeded Federal real property. Further, DOL is also one of 15 Federal agencies responsible for implementing the *Eliminating Improper Payments Program* initiative that was just launched in August 2004. The initiative will combat the estimated \$45 billion in annual improper payments government-wide.

Program Assessment Rating Tool (PART), and DOL's 2006 PART Assessments

In preparation for the FY 2006 budget, seven Department of Labor programs were evaluated using the Program Assessment Rating Tool (PART). Additionally, two programs were re-evaluated. The outcomes of these evaluations underline DOL's efforts to produce results for American employees and employers. Of these nine programs, five were rated as Adequate and four were rated as Moderately Effective. These include two programs previously rated as Results Not Demonstrated: Employee Benefits and Security Administration and the Office of Federal Contractor Compliance Programs.

Programs Rated as Moderately Effective for FY 2006 Budget

- Employee Benefits and Security Administration
- Job Corps
- Pension Benefit Guaranty Corporation
- Foreign Labor Certification H-1B Program

Programs Rated as Adequate for FY 2006 Budget

- Bureau of Indian and Native American Affairs
- Bureau of International Labor Affairs
- Employment Service
- Foreign Labor Certification Permanent Program
- Office of Federal Contractor Compliance Programs

The 21 DOL programs that have been evaluated from FY 2004 – FY 2006 through the PART process represent roughly half of its programs, with the remaining programs scheduled for evaluation in the next two budget cycles. The positive impact of PART on DOL management is evident in many ways, especially in program planning and internal evaluation. Together with the President's Management Agenda, the PART has created an incentive for a more transparent government. To cite one example, in response to PART recommendations each DOL program evaluated with the PART from FY 2004 – FY 2006 will now publicly report its performance in terms of efficiency. This will allow citizens to better understand the costs associated with a better prepared and more competitive workforce, a secure workforce, and quality workplaces.

DOL PART RATINGS AND RANKINGS*			
Program	FY 2004 Rating	FY 2005 Rating	FY 2006 Rating
BLS	Moderately Effective	Effective	
ESA/FECA	Moderately Effective		
OSHA	Adequate		
EBSA	Results Not Demonstrated		Moderately Effective
ETA/Trade Adjustment Act	Results Not Demonstrated	Ineffective	
ESA/OFCCP	Results Not Demonstrated		Adequate
ETA/Dislocated Workers	Results Not Demonstrated	Adequate	
ETA/Youth Activities	Results Not Demonstrated	Ineffective	
ETA/Older Americans	Results Not Demonstrated	Ineffective	
ESA/Black Lung		Moderately Effective	
ETA/UI Administrative Grants		Moderately Effective	
MSHA		Adequate	
ETA/Migrant & Seasonal Farmworkers		Ineffective	
ESA/WHD Davis-Bacon Act		Results Not Demonstrated	
ETA/Job Corps			Moderately Effective
ETA/Native Americans Program			Adequate
ETA/Employment Service			Adequate
ETA/Foreign Labor Certification (H-1B)			Moderately Effective
ETA/Foreign Labor Certification (PERM)			Adequate
PBGC			Moderately Effective
ILAB			Adequate

*Programs do not undergo a PART review each year; some programs receive a follow-up PART if additional information is considered significant.

Agency Efficiency Measures

As of June 14, 2004 Efficiency Measures have been substantially developed for all programs and have been included in agency budget submissions, per the requirements of the President's Management Agenda. The Department will continuously improve overall program effectiveness and efficient use of taxpayer dollars through the use of performance measurement.

Appendix I: FY 2005 and PY 2004 Goals, Indicators, and Measures

This Appendix shows the Department of Labor FY 2005 and PY 2004 goals.

This Appendix includes goals that have been updated or revised from those presented in the FY 2005 Performance Budget Overview as well as the new goals. These updated FY 2005 goals are included here in order to provide a list of the final goals of record. These goals, which include Program Year 2004 (July 1, 2004 – June 30, 2005) goals for ETA and VETS, will be reported in the FY 2005 Annual Performance and Accountability Report.

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Strategic Goal 1 — A Prepared Workforce: Enhance opportunities for America’s workforce

Outcome Goal 1.1 — Increase employment, earnings and retention

Performance Goal DOL-04-1.1A: Increase employment, retention and earnings of individuals registered under the Workforce Investment Act Adult Program (ETA) ¹	
Indicators:	
<ul style="list-style-type: none"> Entered Employment: Percent of participants employed in the first quarter after program exit 	<p>Baseline: 74% (PY 2003) Target: Entered Employment: 75%</p>
<ul style="list-style-type: none"> Retention: Percent of those employed in the first quarter after program exit still employed in the third quarter after program exit 	<p>Baseline: 85% (PY 2003) Target: Retention: 85%</p>
<ul style="list-style-type: none"> Earnings Gain: 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 	<p>Baseline: \$3,260 Target: Earnings Gain: \$3,300</p>
<ul style="list-style-type: none"> Average cost per participant 	<p>Baseline: NA Target: \$2,192</p>

DOL-04-1.1B: Improve the outcomes for job searchers and employers who receive public labor exchange services (ETA)	
Indicators:	
<ul style="list-style-type: none"> Entered Employment: Percent of job seekers registered with the public labor exchange who enter employment with a new employer by the end of the second quarter following registration 	<p>Baseline: 61% (PY 2003) Target: 58%</p>
<ul style="list-style-type: none"> Retention: Percent of job seekers who will continue to be employed two quarters after initial entry into employment with a new employer 	<p>Baseline: 80% (PY 2003) Target: 72%</p>
<ul style="list-style-type: none"> Average Cost Per Participant 	<p>Baseline: NA Target: \$52</p>

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

DOL-04-1.1C: Increase the employment, retention, and earnings replacement of individuals registered under the Workforce Investment Act Dislocated Worker Program (ETA) ²

Indicators:

- Entered Employment: Percent of participants employed in the first quarter after program exit
Baseline: 82% (PY 2003)
Target: 82%
- Retention: Percent of those employed in the first quarter after program exit still employed in the third quarter after program exit
Baseline: 90% (PY 2003)
Target: 91%
- Earnings Replacement: The 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
Baseline: 91% (PY 2003)
Target: 91%
- Average cost per participant
Baseline: NA
Target: \$3,195

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Performance Goal DOL-04-1.1D: Improve the employment outcomes for veterans who receive public labor exchange services and veterans' program services (VETS)	
Indicator: Veterans: Percent of Veteran job seekers employed in the first or second quarter following registration.	Baseline: 58% (PY 2003) Target: 58%
Indicator: Veterans: Percent of Veteran job seekers still employed two quarters after initial entry into employment with a new employer.	Baseline: 79% (PY 2003)* Target: 80%
Indicator: Disabled veterans: Percent of Disabled Veteran job seekers employed in the first or second quarter following registration.	Baseline: 53% (PY 2003) Target: 54%
Indicator: Disabled veterans: Percent of Disabled Veteran job seekers still employed two quarters after initial entry into employment with a new employer.	Baseline: 77% (PY 2003)* Target: 78%
Indicator: Homeless veterans (subpopulation): Entered employment rate for homeless veterans participating in the Homeless Veterans' Reintegration Program (HVRP)	Baseline: 61% (PY 2003) Target: 60%
Indicator: Homeless veterans: Employment retention rate after 6 months for homeless veteran HVRP participants.	Baseline: TBD (PY 2004)** Target: N/A
<p>*PY 2003 results include only the first two quarters of retention data reported under the UI wage record based reporting system. **Baseline to be established on the basis of reported results for PY 2004. Efficiency Measures are under development for all other programs.</p>	

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Performance Goal DOL-05-1.1A: Strengthen the registered apprenticeship program to meet the training needs of business and workers in the 21st century (ETA) 1

Apprenticeship is moving to adopt measures consistent with the common measures, but using the Apprenticeship reporting system and not UI records at this time.

Indicators:

- Retention: Percent of those employed in the quarter after registration still employed nine months later
Baseline: To be established in FY 2005
Target: TBD
- Earnings Increase: The average wage gain for tracked entrants* employed in the first quarter after registration and still employed nine months later
Baseline: To be established in FY 2005
Target: TBD
- Efficiency: Average cost per registered apprentice
Baseline: To be established in FY 2005
Target: \$103**

* 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.

** This is an estimate which may be revised using FY 2005 baseline data.

Performance Goal DOL-05-1.1B: Provide national leadership to increase access and employment opportunities for youth and adults with disabilities receiving employment, training, and employment support services by developing and testing, and disseminating effective practices (ODEP)

Indicators:

- Increase by 5 percent the number of people with disabilities served through ODEP projects
- Increase by 5 percent the entered employment rate at pilot sites
- Increase by 10 percent the 3-month and 6-month retention rates for people with disabilities served by the pilots
- Increase by 10 percent effective practices identified at pilot sites and through other research-related initiatives

Baseline:

Baseline data source will be program data from pilot projects and other research initiatives, external independent evaluation, and (with BLS) new data from Current Population Survey. Baseline data will be available at the close of FY 2004.

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Outcome Goal 1.2 — Increase opportunities for youth employment

Performance Goal DOL-04-1.2A: Increase placements and educational attainments for youth served through the WIA youth program¹ (ETA)¹

Indicators:

- Placement: Percent of 19-21 year-old youth employed in the first quarter after exit
Baseline: 71% (PY 2003)
Target: 68 %

- Diploma or Equivalent Attainment Rate: Percent of 14-18 year-old youth who enter the program without a diploma or equivalent who attain a secondary school diploma or equivalent by the first quarter after exit
Baseline: 63% (PY 2003)
Target: 53%

- Retention: Percent of 19-21 year-old youth employed in the first quarter after exit still employed in the third quarter after program exit
Baseline: 81% (PY 2003)
Target: 79%

- Average Cost per Participant
Baseline: NA
Target: \$2,663

Performance Goal DOL-04-1.2B: Improve educational achievements of Job Corps students, and increase participation of Job Corps graduates in employment and education * (ETA)¹

Indicators:

- Entered Employment, Training, Education Rate: Percent of Job Corps graduates (within 1 year of program exit) and former enrollees (within 90 days of program exit) who enter employment or enroll in post-secondary education or advanced/occupational skills training
Baseline: TBD
Target: 85%

- Diploma or Equivalent Attainment Rate: Percent of students earning a high school diploma, GED or certificate while enrolled in a Job Corps program
Baseline: TBD
Target: 64%

- Literacy and Numeracy: Percent of students who achieve literacy or numeracy gains of one Adult Basic Education (ABE) level (one ABE level is approximately equivalent to two grade levels)
Baseline: TBD
Target: 45%

- Efficiency: Average cost per participant
Baseline: TBD
Target: \$22,503

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Outcome Goal 1.3 — Improve the effectiveness of information and analysis on the U.S. economy

Performance Goal DOL-05-1.3A: Improve information available to decision-makers on labor market conditions, and price and productivity changes (BLS)			
Performance Measures	Performance Targets		
Improve information available to decision-makers on labor market conditions, and price and productivity changes	'03	'04	'05
Improve relevancy Improve data relevance by reflecting changes in the economy, as measured by the number of series (e.g., Current Employment Statistics, Employment Cost Index, etc.) converted to the North American Industry Classification System (12 series in total) [2002 baseline = 1 series]	4	8	9
Improve accuracy <i>Coverage:</i> Improve coverage by increasing the percent of domestic output of in-scope services included in the Producer Price Index (PPI) [1997 baseline = 38.8%] Improve coverage by increasing the percent of in-scope industries in the labor productivity measures [2000 baseline = 52.9%] 1/	54.0%	59.2%	75.7%
	60.9%	58.0%	58.3%
Enhance information technology Lessen the likelihood of major systems failures that could affect the PPI's ability to release data on time, as measured by the percent of the components of the new repricing system completed [2002 baseline = 2%]	10%	17%	40%
Enhance efficiency and effectiveness Cost per transaction of the Internet Data Collection Facility (2004 baseline = \$6.13)		\$6.13	\$3.32
Raise customer satisfaction with BLS products and services (e.g., the American Customer Satisfaction Index) [2001 baseline = 74%] 2/	74%	82%	75%
Deliver economic data on time (Percent of scheduled releases issued on time.) [2000 baseline = 99%]	100%	96%	100%
Percent of accuracy measures met (e.g., revision, response rates, etc.) [2000 baseline = 94%] 3/	98%	83%	100%

1/ In 2004, the percent of industries covered declined due to changes in industry definitions as a result of the conversion to NAICS.

2/ In 2004, the BLS measured users' satisfaction with the *Occupational Outlook Handbook* website.

3/ Beginning in 2005, response rates are no longer reflected in this aggregate measure.

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Goal 2 — A Secure Workforce: *Promote the economic security of workers and families*

Outcome Goal 2.1 — Increase compliance with worker protection laws

Performance Goal DOL-05-2.1A: American workplaces legally employ and compensate workers (ESA) ¹	
Indicators: Covered American workplaces legally, fairly, and safely employ and compensate their workers by:	
<ul style="list-style-type: none">• <u>Ensuring customer service:</u> Ensure continued customer service by decreasing the average number of days to conclude a violation complaint	Baseline: FY 2004 189 days Target: 187 days
<ul style="list-style-type: none">• <u>Reduce employer recidivism:</u> Increase the percent of prior violators who achieved and maintained Fair Labor Standards Act (FLSA) compliance following a full FLSA investigation	Baseline FY 2004: 71% Target: 72%
<ul style="list-style-type: none">• <u>Increase compliance in industries with chronic violations:</u> Increase the percent of low-wage workers across identified low-wage industries paid and employed in compliance with FLSA and MSPA.	Establish baseline FY 2005 Target: TBD
<ul style="list-style-type: none">• <u>Ensuring timely and accurate prevailing wage determinations:</u> Increase the number of wage determination data submission forms processed per 1,000 hours	Baseline FY 2004: 1,491 Target: 1,506
<ul style="list-style-type: none">• Issue 81 percent of all survey-based DBA wage determinations issued within 60 days of the receipt of the underlying survey data	Baseline FY 2002: 100% Target: 81%

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Performance Goal 2.1B: Ensure union financial integrity, democracy, and transparency¹ (ESA)

Indicators:

- Union financial integrity: Percent of unions with fraud

Baseline FY 2004: 9%

Target: 7.5% (to be measured in FY 2006)

- Union financial integrity: Union dollars protected per FTE*

Baseline: TBD in FY 2005

- Union transparency. Percent of union reports meeting OLMS standards of acceptability for public disclosure. New baseline will be established in FY 2006.

Baseline: TBD

Target: TBD

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Outcome Goal 2.2 — Protect worker benefits

Performance Goal DOL-05-2.2A: Make timely and accurate benefit payments to unemployed workers, and facilitate their reemployment (ETA) ¹

Indicators:

- Payment Timeliness: Percent of intrastate first payments made within 21 days

Baseline: FY 2001: 89.1%
Target: 89.9%
- Detect Overpayments: Percent of the amount of estimated overpayments that States can detect and recover established for recovery

Baseline: FY 2002: 57.9%
Target: 59.5%
- Establish Tax Accounts Promptly: Percent of new employer liability determinations made within 90 days of the end of the first quarter in which liability occurred.

Baseline: FY 2002: 79.1%
Target: 82.4%

Performance Goal DOL-05-2.2B: Minimize the impact of work related injuries (ESA) ¹

Indicators:

- For FECA cases of the United States Postal Service, achieve a lost production days rate (LPD per 100 employees) of 148 days

Baseline FY 2003: 147.6 days
Target: 148 days
- For FECA cases of All Other Government Agencies, achieve a lost production days rate (LPD per 100 employees) of 61 days

Baseline FY 2003: 56 days
Target: 61 days
- Through use of the Periodic Roll Management, produce \$17 million in savings in the FECA program

Baseline: NA
Target: +17m\$
- The trend in the indexed cost per case of FECA cases receiving medical treatment will remain below the comparable measure for nationwide health care costs

Baseline: Milliman U.S.A. Health Costs Index
Target: Remain below U.S. trend
- Achieve targets for five communications performance areas

Target: Meet 60% of the following targets:
Use of FECA program electronic services – 2.58 million contacts
Average Caller wait times - 3.1 minutes
Average time to return calls – 2.7 days
Calls resolved on the first try – 64%
Calls handled according to program quality standards – 92%

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

- Reduce by 14 percent over the FY 2002-established baseline the average time required (calendar days) to resolve disputed issues in Longshore and Harbor Worker's Compensation Program contested cases

Baseline FY 2003: 285 calendar days
Target: 245 calendar days
- Increase to 76.5 percent the number of Black Lung benefit claims for which following an eligibility decision by the district director, there are no requests for further action from any party pending one year after receipt of the claim.

Baseline FY 2001: 66.5%
Target: 76.5%
- Increase to 80 percent the number of Initial Claims for benefits in the Part B Energy Program that are processed within standard timeframes

Baseline: 75%
Target: 80%
- Increase to 80 percent the number of Final Decisions in the Part B Energy Program that are processed within standard timeframes

 - **Baseline:** 75%
 - **Target:** 80%
- Pay compensation benefits to 1200 claimants under Part E by the end of the Fiscal Year

Performance Goal DOL-05-2.2C: Secure pension, health and welfare benefits (EBSA)

Indicator: Enhance Pension and Health Benefits Security

Enforcement:

Achieve a 66% ratio of closed civil cases with corrected violations to civil cases closed

Baseline FY 2002: 50%
Target: 66%

Achieve a 37.7% ratio of criminal cases referred for prosecution to total criminal cases

Baseline FY 2002: 25%
Target: 37.7%

Participant Assistance:

Achieve a Customer Satisfaction Index of 63, or comparable measurement, for Participants and Beneficiaries who have contacted EBSA for assistance

Baseline: FY 2003: 59
Target: 63

Achieve 8,340 additional applications to its Voluntary Compliance programs

Baseline: (FY 2001-2003 average) 7,564
Target: 8,340

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Performance Goal DOL-05-2.2D: Improve service to pension plan customers (PBGC)

Indicators:

- Pension Practitioner Service: Achieve a Customer Satisfaction score of 72 for practitioner callers in FY 2005
Baseline FY 2002: 69
Target: 72
- Participant Service: Achieve a Customer Satisfaction score of 78 for responding to trusted plan participants' inquiries in FY 2005
Baseline FY 2001: 73
Target: 78

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Goal 3 — Quality Workplaces: *Foster Quality Workplaces that are safe, healthy and fair*

Outcome Goal 3.1 — Reduce workplace injuries, illnesses, and fatalities

Performance Goal DOL-05-3.1A: Reduce work-related fatalities (OSHA/MSHA)	
Indicator: Reduce the rate of workplace fatalities by 6 percent in from baseline (for sectors covered by the Occupational Safety and Health Act) (OSHA)	Baseline: 1.62 fatalities per 100,000 workers (FY2000-2002 average) Target: 1.52 fatalities per 100,000 workers(FY 2003-2005 average)
Indicator: Reduce the mine industry fatal injury incidence rate by 15 percent from the baseline by the end of FY 2008. (MSHA) ¹	Baseline FY 2003: .0229 fatalities per 200,000 hours worked Target: .0215 fatalities per 200,000 hours worked

Performance Goal DOL-05-3.1B: Reduce work-related injuries and illnesses (OSHA/MSHA)	
Indicator: FY 2005: Reduce the rate of workplace injuries and illness by 8 percent from baseline. (OSHA)	Baseline: CY 2002 rate of 1.6 days away from work cases per 100 workers (CY 2002). Target: 1.5 days away from work cases per 100 workers (CY 2005)
Indicator: Reduce the mine industry all-injury incidence rate by 50 percent from the baseline by the end of FY 2008. (MSHA) ¹	Baseline FY 2000: 5.07 Target: 3.48
In the mine industry, improve miner health by implementing the following indicators:	
Indicators:	
<ul style="list-style-type: none"> • Reduce respirable coal dust samples exceeding applicable standards by 5% for designated occupations; • Establish a new baseline for silica dust. A C/E ratio of .50 will be used as a new sampling benchmark where C = dust concentration result and E = the enforceable level (from which future sampling performance will be targeted for improvement) • Establish a new baseline for noise in metal and non-metal mines. A C/E ratio of .50 will be used as a new sampling benchmark where C = noise concentration result and E = the enforceable level (from which future sampling performance will be targeted for improvement) • Establish a new baseline for noise in coal mines. The new baseline will utilize a new methodology involving improved sampling, compliance assistance, and enforcement which will ensure miners are evaluated at coal mines to determine if they are being exposed to excessive levels of noise. 	
Baseline (FY 2003/2004) Coal dust: 10.7 Target Coal dust: 10.1 Baselines: Silica dust: TBD Noise (metal/non-metal): TBD Noise (coal): TBD	
Baselines and targets are under revision because FY 2003 and FY2004 results greatly exceeded performance targets (previous targets were not challenging based in large part on the sampling approach utilized). As a result, MSHA is restructuring its health goal and sampling approach to better protect miner health.	

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Outcome Goal 3.2 — Foster equal opportunity workplaces

Performance Goal DOL-05-3.2A: Federal contractors achieve equal opportunity workplaces (ESA)	
<p>Indicator: Reduce the incidence of discrimination among Federal contractors.</p> <p align="right">Baseline FY 2001: 12.5% Target: 7%*</p> <p>Targets are under review.</p> <p>Indicator: Increase compliance among Federal contractors in all other aspects of equal opportunity workplace standards.</p> <p align="right">Baseline FY 2001: 57% Target: 62%*</p> <p>* Targets are under review.</p>	

Performance Goal DOL-05-3.2B: Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment (VETS) ¹	
<p>Indicators:</p> <ul style="list-style-type: none"> • Percent of USERRA cases resolved within 90 days after filing • Percent of USERRA cases resolved within 120 days after filing • Percent of USERRA cases resolved within one year after filing 	<p align="right">Baseline: 84% (FY 2004) Target: 85%</p> <p align="right">Baseline: 91% (FY 2004) Target: 90%</p> <p align="right">Baseline: 99% (FY 2004) Target: 98%</p>

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Outcome Goal 3.3 - Reduce exploitation of child labor, protect the basic rights of workers, and strengthen labor markets

Performance Goal DOL-05-3.3A: Contribute to the Elimination of the Worst Forms of Child Labor Internationally (ILAB) ²

Indicators:

- Number of children prevented or withdrawn from exploitive child labor and provided education/training opportunities as a result of DOL-funded IPEC projects

Baseline: 243,322
Target (FY 05): 116,000
- Number of countries with increased capacity to address child labor as a result of DOL-funded IPEC projects

Baseline: 26
Target (FY 05): 20
- Number of target children enrolled in education programs as a result of DOL-funded Education Initiative projects

Baseline: 42,000
Target (FY 05): 50,000
- Percentage of children persisting in educational programs as a result of DOL-funded Education Initiative projects

Baseline: 40%
Target (FY 05): 65%
- Percentage of children completing educational programs as a result of DOL-funded Education Initiative projects

Baseline: 40%
Target (FY 05): 50%

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Performance Goal DOL-05-3.3B: Improve living standards and conditions of work internationally (ILAB) ²

Indicators:

- Percentage of USDOL project beneficiaries who consider a USDOL-funded project to have improved their conditions of work
Baseline: 62%
Target: 83%
- Increased compliance with national labor laws.
Baseline: To be established in FY 05/06
Target: Estimated 10% increase in compliance above baseline
- Percentage of targeted individuals whose economic situation has benefited from USDOL project assistance
Baseline: 39 percent
Target (FY 05): 43 percent
- Reduced HIV/AIDS risk behaviors among targeted workers
Baseline: To be established by FY 02/05
Target: 10% reduction in risk behavior
- Reduced level of employment related discrimination against persons living with HIV/AIDS
Baseline: To be established by FY 02/05
Target: 10% reduction in employment-related discrimination

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Goal 4 — A Competitive Workforce: *Maintain competitiveness in the 21st Century economy*

ETA Activities in Support of Outcome Goal 4.1

In Program Year 2006, many of ETA's programs are shifted to Goal 4. However, in PY 2004, ETA is undertaking several activities that directly support Goal 4, and while these activities are not Departmental goals, progress in these areas may be included in the FY 2005 Annual Performance and Accountability Report (APAR). Some of these activities are not line items in the budget but reflect DOL's commitment and progress in developing a competitive workforce, even as the larger programs transition into this goal in 2006. Some the activities that may be included in the narrative section of the FY 2005 APAR include:

- Workforce Information System
- Local Employment Dynamic Program
- Hispanic and Asian-American Initiatives
- H-1B Technical Skills Training Grant Program
- Employment Retention and Advancement Project
- High Growth Job Training Initiative

DOL-04-4.1A: Build a demand-driven workforce system by increasing accessibility to workforce information (ETA) ²

Indicators:

- Number of job openings listed with the public labor exchange (with both State Workforce Agencies and America's Job Bank)
Baseline: 12.5 million (PY 2003)
Target: 12,994,000
- Number of job searches conducted by job seekers in America's Job Bank
Baseline: 169 million (PY 2003)
Target: 170,788,000
- Number of resume searches conducted by employers in America's Job Bank
Baseline: 8 million (PY 2003)
Target: 8,090,000

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Performance Goal DOL-0-4.1B: Increase the employment, retention and earnings replacement of workers dislocated in important part because of trade who receive trade adjustment assistance benefits (ETA)²

Indicators*:

- Entered Employment: Percent of participants employed in the first quarter after program exit

Baseline: 65% (FY 2001)
Target: 70%
- Retention: Percent of participants employed in first quarter after exit who are still employed in the third quarter after exit

Baseline: 90% (FY 2001)
Target: 89%
- Earnings replacement: Average percent of pre-separation earnings for those employed in the third quarter after program exit

Baseline: 85% (FY 2001)
Target: 80%
- Efficiency: The average cost per training participant in FY 2005 (including training services, job search and relocation allowances, and income support)

Baseline: NA
Target: \$16,000

* Entered employment, retention, and earnings replacement reflect current measurement and not the common measures definition.

Performance Goal DOL-05-4.1A: Address worker shortages through the Foreign Labor Certification Program (ETA)¹

Indicators:

- Percent of H-1B applications processed within seven days of the filing date for which no prevailing wage issues are identified

Baseline: 99%
Target: 100%
- Percent of employer applications for labor certification under the streamlined system that are resolved within six months of filing

Baseline: Collect baseline data in FY 2005
Target: Set target in FY 2006
- The average cost for processing a new PERM application

Baseline: Collect baseline data in FY 2005
Target: Set target in FY 2006
- Percent of the H-2B applications processed within 60 days of receipt

Baseline: 70%
Target: 90%

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Outcome Goal 4.2 — Promote job flexibility and minimize regulatory burden

Performance Goal DOL-05-4.2A: Maximize regulatory flexibility and benefits and promote flexible workplace programs (ASP) ¹

Indicator: Wage and hour, worker safety, pension and health care regulations, to the greatest extent practicable, are performance-based and provide maximum flexibility to employers in developing a compliance approach.

- FY 2005: Develop plan to review significant regulations for maximum flexibility
- FY 2006: Review identified significant regulations and develop revisions

Target: Initiate rulemaking for revisions as appropriate

Indicator: New and current regulations maximize net benefits. Regulations that impose greater societal costs than benefits are revised or eliminated, consistent with applicable governing statutes.

- FY 2005: Establish criteria and timeline for review (DOL Agencies)
- FY 2006: Regulations identified for revision; revisions for withdrawals as appropriate

Target: Initiate rulemaking as appropriate

Indicator: DOL ensures compliance with its regulations in the most cost-effective manner. Non-cost-effective practices are modified or eliminated, consistent with governing statutes. (DOL Agencies)

- FY 2005: Baseline unit cost. Develop plan to identify practices that are not cost-effective
- FY 2006: Develop plan to reduce unit cost per enforcement action. Initiate changes to non-cost effective practices

Target: Reduce unit cost per enforcement action by X%

Indicator: Best practices for, and models of, flexible workplace practices are identified and publicized

Baseline FY 2004: Develop best practices studies

Target: FY 2006: Best practices disseminated

Indicator: Increase the percent of small employers with access to health care benefit plans*

Baseline: CY 2004

Target: X%

* Consistent with and contingent upon the passage of Association Health Plan legislation now pending before Congress.

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Appendix II: PY 2005 Goals, Indicators, and Measures (ETA, VETS)

This Appendix shows the Department of Labor Program Year 2005 goals. These goals cover the period from July 1, 2005 – June 30, 2006, and will be reported in the FY 2006 Annual Performance and Accountability Report.

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Performance Goal DOL-05-1.1A: Increase employment, retention and earnings of individuals registered under the Workforce Investment Act Adult Program (ETA) ¹

Indicators:

- Entered Employment: Percent of participants employed in the first quarter after program exit
Baseline: 76% (PY 2003)
Target: Entered Employment: 76%
- Retention: Percent of those employed in the first quarter after program exit still employed in the third quarter after program exit
Baseline: 86% (PY 2003)
Target: Retention: 86%
- Earnings Gain: 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
Baseline: \$3,260 (PY 2003)
Target: Earnings Gain: \$3,400
- Average cost per participant
Baseline:
Target: \$2,064

Note: while targets have been established for prior measures, PY 2005 is also the baseline year for the common measures.

Performance Goal DOL-05-1.1B: Improve the outcomes for job searchers and employers who receive public labor exchange services (ETA) ¹

Indicators:

- Entered Employment: Percent of job seekers registered with the public labor exchange who enter employment with a new employer by the end of the second quarter following registration
Baseline: 61% (PY 2003)
Target: 61%
- Retention: Percent of job seekers who will continue to be employed two quarters after initial entry into employment with a new employer
Baseline: 80% (PY 2003)
Target: 78%
- Average cost per participant
Target: \$46

Note: while targets have been established for prior measures, PY 2005 is also the baseline year for the common measures.

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Performance Goal DOL-05-1.1C: Increase the employment, retention, and earnings replacement of individuals registered under the Workforce Investment Act Dislocated Worker Program (ETA) ²

Indicators:

- Entered Employment: Percent of participants employed in the first quarter after program exit
Baseline: TBD
Target: 83%

- Retention: Percent of those employed in the first quarter after program exit still employed in the third quarter after program exit
Baseline: TBD
Target: 92%

- Earnings Replacement: The 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
Baseline: TBD
Target: 92%

- Average cost per participant
Target: \$1,867

Note: while targets have been established for prior measures, PY 2005 is also the baseline year for the common measures.

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Performance Goal DOL-05-1.1D: Improve the employment outcomes for veterans who receive One Stop Career Center services and veterans' program services (VETS)¹

Indicators:

- Veterans: Percent of Veteran job seekers employed in the first or second quarter following registration

Baseline: 58% (PY 2003)
Target: 59%
- Veterans: Percent of Veteran job seekers still employed two quarters after initial entry into employment with a new employer

Baseline: 79% (PY 2003)*
Target: 81%
- Disabled veterans: Percent of Disabled Veteran job seekers employed in the first or second quarter following registration

Baseline: 53% (PY 2003)
Target: 55%
- Disabled veterans: Percent of Disabled Veteran job seekers still employed two quarters after initial entry into employment with a new employer

Baseline: 77% (PY 2003 estimate)
Target: 79%
- Homeless veterans (subpopulation): Entered employment rate for homeless veterans participating in the Homeless Veterans' Reintegration Program (HVRP)

Baseline: 61% (PY 2003)
Target: 61%
- Homeless veterans: Employment retention rate after 6 months for homeless veteran HVRP participants

Baseline: TBD (PY 2004)**
Target: TBD
- Homeless veterans: Cost per homeless veteran HVRP participant

Baseline: TBD (PY 2004)**
Target: TBD

*PY 2003 results include only the first two quarters of data reported on retention.

** Baseline to be established on the basis of reported results for PY 2004.

Efficiency Measures are under development for all other programs

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

Performance Goal DOL-05-1.2A: Increase placements and educational attainments for youth served through the WIA youth program (ETA) ¹

Indicators:

- Placement: Percent of 19-21 year-old youth employed in the first quarter after exit **Target: 69%**

- Diploma or Equivalent Attainment Rate: Percent of 14-18 year-old youth who enter the program without a diploma or equivalent who attain a secondary school diploma or equivalent by the first quarter after exit **Target: 53%**

- Retention: Percent of 19-21 year-old youth employed in the first quarter after exit still employed in the third quarter after program exit **Target: 80%**

- Efficiency: Average cost per participant **Baseline: TBD**
Target: \$2,996

Note: While targets have been established, PY 2005 is also the baseline year for two of the youth common measures.

Performance Goal DOL-05-1.2B: Improve educational achievements of Job Corps students, and increase participation of Job Corps graduates in employment and education (ETA) ¹

Indicators:

- Entered Employment, Training, Education Rate: Percent of Job Corps graduates (within 1 year of program exit) and former enrollees (within 90 days of program exit) who enter employment or enroll in post-secondary education or advanced/occupational skills training **Baseline: TBD**
Target: 85%

- Diploma or Equivalent Attainment Rate: Percent of students earning a high school diploma, GED or certificate while enrolled in a Job Corps program **Baseline: TBD**
Target: 64%

- Literacy and Numeracy: Percent of students who achieve literacy or numeracy gains of one Adult Basic Education (ABE) level (one ABE level is approximately equivalent to two grade levels) **Baseline: TBD**
Target: 45%

- Efficiency: Average cost per participant **Baseline: TBD**
Target: \$ 22,693

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.

DOL Performance Goal DOL-05-4.1A: Build a Demand Driven Workforce

The Community College Initiative/Community Based Job Training Grants will be funded for the first time in PY 2005, as authorized and appropriated through the FY 2005 Omnibus Appropriations Act. ETA intends to develop information collection systems to address the common measures below:

Indicators:

- Entered Employment: Percent of participants employed in the first quarter after program exit
- Retention: Percent of participants employed in the first quarter after program exit still employed in both the second and third quarters after program exit
- Earnings Increase I: The earnings increase of individuals employed between the period of one quarter prior to registration and the first quarter after program exit
- Earnings Increase II: The earnings increase of individuals employed between the first quarter after program exit and third quarter after program exit
- Efficiency: Average cost per participant
- Capacity building: ETA may also develop a measure(s) of capacity building to complement the common measures since the program includes capacity building goals.

Targets: Since the grants will be new in PY 2005, data for these indicators is not expected to be adequate for establishing a baseline.

Baseline data will be collected in PY2006-PY2007

DOL-05-4.1B: Build a demand-driven workforce system by increasing accessibility to workforce information (ETA) ²

Indicators:

- Number of job openings listed with the public labor exchange (with both State Workforce Agencies and America's Job Bank)

Baseline: 12.5 million (PY 2003)

Target: Baseline will be reestablished

- Number of job searches conducted by job seekers in America's Job Bank

Baseline: 169 million (PY 2003)

Target: Baseline will be reestablished

- Number of resume searches conducted by employers in America's Job Bank

Baseline: 8 million (PY 2003)

Target: Baseline will be reestablished

- Number of page views on America's Career Infonet

Target: **Baseline to be established**

Goals with changes in the wording or targets are identified by the endnote 1. New goals are identified by the endnote 2.