

## REQUIRED SUPPLEMENTARY STEWARDSHIP INFORMATION

(Unaudited)

### STEWARDSHIP INVESTMENTS IN HUMAN CAPITAL

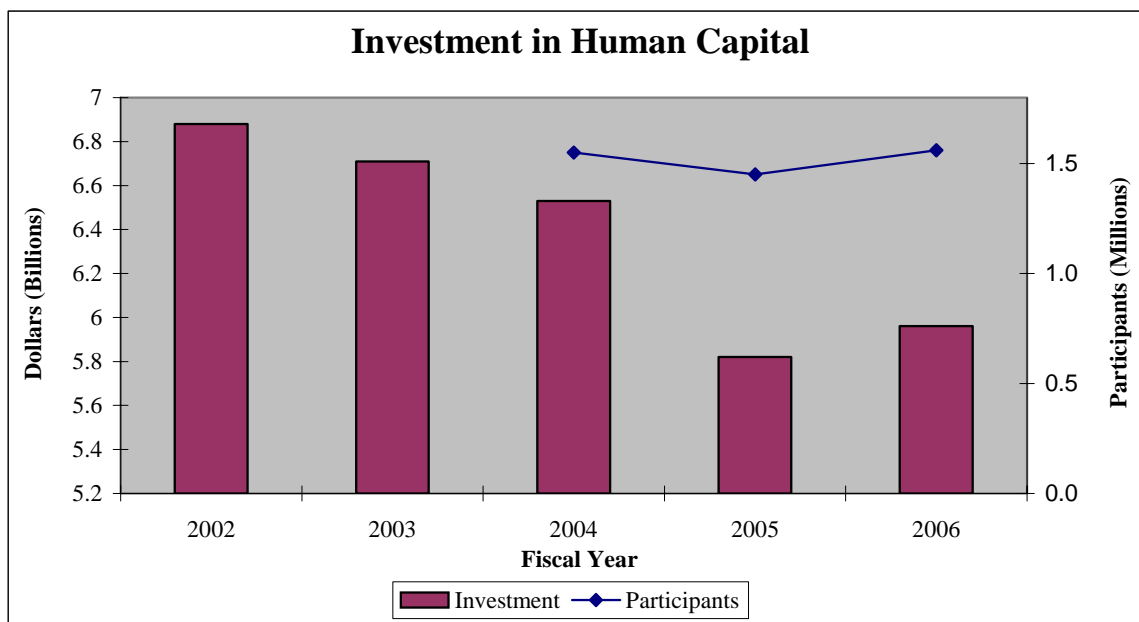
Stewardship investments are made by DOL for the nation's benefit. For accounting purposes, these investments are expensed as incurred and reflected in the net cost of DOL's operations. Stewardship investments provide long term benefits that can not be measured in traditional financial reports.

DOL's stewardship investments are in human capital, reported as expenses in the net cost of DOL's employment and training programs. These investments are intended to maintain or increase national economic productive capacity as demonstrated by program outputs and outcomes. Within DOL, the Employment and Training Administration, the Office of Job Corps, and the Veterans' Employment and Training Service administer programs that invest in human capital. The Office of Job Corps was transferred from the Employment and Training Administration to the Office of the Secretary during FY 2006. However, Job Corps' costs continue to be reported under the Employment and Training Administration and are considered to be a part of the Employment and Training Administration for this presentation. The programs are discussed below.

#### Employment and Training Administration

The U.S. Department of Labor, Employment and Training Administration's (ETA) Federal investment in human capital comprises expenses incurred for training programs enacted under the Workforce Investment Act of 1998 (WIA); Job Training Partnership Act, as amended (JTPA); the Trade Act of 1974, as amended (Trade Act); School-To-Work Opportunities Act of 1994, as amended (STW), and Balanced Budget Act of 1997, as amended. This investment is made for the general public and the expenses incurred are intended to increase or maintain national economic productive capacity. Investment in human capital specifically excludes expenditures for employment services, apprenticeship program administration and unemployment and other benefit payments which make up the bulk of ETA's services to the public at \$34.4 billion and 21.5 million people served during FY 2006.

The ETA's investment in human capital for fiscal years 2002 to 2006, excluding the cost of internal Federal education and training, is presented below, along with the number of participants exiting the programs, an output measure for these programs for fiscal years 2004 and 2006 (participant data is not available for the earlier years).



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This output measure is the latest data available for the currently operating programs, was collected for periods ending in March or June of the fiscal year, and includes some estimates, depending on the program involved. Participants could have exited from, and therefore been counted in, more than one program during the measurement periods. This participant information specifically excludes participants for employment services, apprenticeship and unemployment and other benefit recipients who receive ETA services to the public.

A brief description of the programs under each Act is as follows:

#### **Workforce Investment Act (Successor legislation to the JTPA)**

- **Youth Activities** - Grants to provide financial assistance to States and U.S. territories to design and operate workforce investment activities for eligible youth.
- **Youth Opportunity Grants** - Grants to increase the long-term employment of youth who live in empowerment zones, enterprise communities, and high-poverty areas.
- **Adult and Dislocated Worker Employment and Training Activities** - Grants to provide financial assistance to States and U.S. territories to design and operate training programs for low income adults and reemployment services and retraining assistance to individuals dislocated from their employment.
- **Job Corps** - Nationwide program carried out in partnership with States and communities to assist eligible youth to become more responsible, employable, and productive citizens.
- **National Programs** - Grants to provide financial assistance in support of employment and training activities and opportunities for Native American, Migrant and Seasonal Farmworkers, Veterans and Disadvantaged Youth.
- **National Emergency Grants** - National Emergency Grants are discretionary awards by the Secretary of Labor that are intended to temporarily expand service capacity at the state and local levels by providing time-limited funding assistance in response to significant dislocation events.

#### **Job Training Partnership Act (Antecedent legislation to the WIA)**

- **Adult Employment and Training** - Grants to provide financial assistance to States and U.S. territories to design and operate training programs for low-income adults.
- **Dislocated Worker Employment and Training** - Grants to provide re-employment services and retraining assistance to individuals dislocated from their employment.
- **H-1B Technical Skills Training Grants** - Financed by fees paid by employers who bring skilled foreign workers into the U.S. under H-1B nonimmigrant visas, these grants help address the high skill technology shortages of American businesses by developing and operating high skill training programs for unemployed and employed American workers.
- **Youth Training** - Grants to provide financial assistance to States and U.S. territories to design and operate training programs for economically disadvantaged youth.
- **Summer Youth Employment and Training** - Grants to operate programs of employment and opportunities, as well as academic enrichment for economically disadvantaged youth during the summer months.

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- **Indian and Native Americans** - Grants to Indian tribes and other Native American groups to provide training, work experience, and other employment-related services to Native Americans.
- **National Farmworker Jobs Program (NFJP)** - Grants to public agencies and nonprofit groups to provide training and other employability development services to economically disadvantaged families whose principal livelihood is gained in migratory and other forms of seasonal farm work.
- **Veterans Employment** - Grants or contracts to provide disabled, Vietnam era, and recently separated veterans with programs to meet their unique employment and training needs.
- **National Activities** - Provides program support for JTPA activities and nationally administered programs for segments of the population that have special disadvantages in the labor market.

### Trade Act of 1974 As Amended

- **Trade Adjustment Assistance** - Adjustment assistance, including cash weekly benefits, training, job search, and relocation allowances provided to workers as authorized by the Trade Act of 1974, as amended.
- **North American Free Trade Agreement (NAFTA)** - Transition adjustment assistance, including weekly cash benefits, training, job search, and relocation allowances provided to workers determined to be adversely affected as a result of the NAFTA as authorized by the Trade Act of 1974, as amended.

### School-To-Work Opportunities Act

- **School-To-Work Opportunities** - Grants to States and localities, jointly administered by the DOL and U.S. Department of Education to build systems that provide youth with the knowledge and skills necessary to make an effective transition from school to careers through work-based learning, school-based education, and connecting activities.

### Balanced Budget Act of 1997

- **Welfare-To-Work Opportunities** - Grants to States and localities, jointly administered by the DOL and U.S. Department of Health and Human Services to build programs to provide recipients receiving assistance under State funded programs with the knowledge and skills necessary to make an effective transition to unsubsidized employment opportunities.

### The National Apprenticeship Act

- **Apprenticeship** – A combination of learning on the job and related technical instruction in which workers learn practical and theoretical aspects of a skilled occupation. Apprenticeship costs and participants are not included in the costs and participant numbers in the chart above because Apprenticeship funding does not generally pay for the actual training, but supports administrating the National Apprenticeship Act, including registration, certification, and monitoring of apprenticeship programs. In 2006 there were approximately 427,000 participants in these non-federal apprenticeship training programs.

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### **Veterans' Employment and Training Service**

The mission of Veterans' Employment and Training Service (VETS) is to provide veterans and transitioning service members with the resources and services to succeed in the 21<sup>st</sup> Century workforce, by maximizing their employment opportunities, protecting their employment rights, and meeting labor market demands with qualified veterans. The Agency's vision is embodied in this statement: Veterans Succeeding in the 21<sup>st</sup> Century Workforce.

VETS can be classified into two main areas, Career Counseling and Employment Services, and Transition and Reemployment Services. Brief descriptions follow:

#### **Career Counseling and Employment Services**

**Disabled Veterans Outreach Program Specialist (DVOP)** - This program is codified at 38 U.S.C. 4103A. DVOP grants are made to State Workforce Agencies (SWAs) according to a distribution formula prescribed by law. DVOP staff provide counseling, assessment, lifelong learning skills and/or referral to training for veterans, particularly those with disabilities or recently separated from the military.

**Local Veterans' Employment Representative (LVER)** - This program is codified at 38 U.S.C. 4104. The program provides grants to SWAs for the appointment of LVER staff positions identified in Job Service local offices and One-Stop Career Centers to enhance the services provided to veterans through oversight, technical support, and direct provision of services. LVER staffs help veterans into productive employment through lifelong learning services.

**Homeless Veterans' Reintegration Project (HVRP)** - The HVRP, codified at 38 U.S.C. 2021, provides employment assistance to homeless veterans through grants to both urban and other areas.

**Veterans' Workforce Investment Program (VWIP)** - The VWIP, codified at 29 U.S.C. 2913, provides targeted veterans training and/or employment opportunities. The program targets service connected disabled veterans, recently separated, campaign badge veterans and veterans with significant employment barriers.

#### **Transition and Reemployment Services**

**Transition Assistance Program (TAP)** - Authority for TAP is provided in 38 U.S.C. 4215 and 10 U.S.C. 1144. TAP operates as a partnership between the Departments of Labor, Defense, and Veterans Affairs. This partnership also exists at the local level, where memoranda of understanding spell out the responsibilities of SWAs, military installations, VETS staff and VA facilities. The program provides separating service members and their spouses or individuals retiring from military service with career counseling and training on becoming productive members of society through employment. TAP workshops are provided throughout the Nation and overseas.

**Uniformed Services Employment and Reemployment Rights and Veteran's Preference Rights (USERRA)** - is codified at 38 U.S.C. Chapter 43. The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) succeeded Veterans' Reemployment Rights statutes. USERRA continues to protect civilian job rights and benefits for veterans, members of the National Guard and Reserves. Veteran's Preference for Federal employment is codified in 5 U.S.C. 2108. VETS educates both employee and employer so they better understand the rights of the individuals and promotes a more productive relationship between employer and employee.

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The full cost of VETS major programs is presented below. Full costs include all direct program costs and those indirect costs which can reasonably be assigned or allocated to the program.

<u>(Dollars in thousands)</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Program Expenses</b>					
<b>Career Counseling and Employment Services</b>					
Disabled Veterans Outreach Program	\$ 83,422	\$ 82,913	\$ 84,063	\$ 87,013	\$ 82,582
Local Veterans' Employment Representative	77,369	77,703	78,320	82,148	77,977
<b>Transition and Reemployment Services</b>	<u>30,131</u>	<u>30,419</u>	<u>28,500</u>	<u>25,957</u>	<u>25,635</u>
	<u>\$ 190,922</u>	<u>\$ 191,035</u>	<u>\$ 190,883</u>	<u>\$ 195,118</u>	<u>\$ 186,194</u>

A summary of program outputs is presented below.

<b>Program Outputs</b>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Disabled Veterans Outreach Program</b>					
Participants employed	216,617	294,252	281,591	na	120,400
Disabled veterans	25,486	34,008	32,993	na	15,057
Special disabled veterans	9,635	14,568	13,929	na	7,107
Participants assisted	398,154	342,828	507,190	na	584,719
<b>Local Veterans' Employment Representative</b>					
Participants employed	224,490	289,624	286,720	na	128,450
Disabled veterans	21,709	28,855	29,391	na	13,533
Special disabled veterans	7,290	11,563	12,015	na	6,233
Participants assisted	429,328	330,041	529,911	na	639,694
<b>Transition and Reemployment Services</b>					
Participants served	139,501	134,288	130,000	110,055	104,000
Workshops	4,070	4,185	3,200	3,142	3,151
<b>Uniformed Services Employment and Reemployment</b>					
Briefings, presentations, and technical assistance	9,613	10,538	9,300	10,081	5,436
Individuals briefed or assisted	96,159	99,208	59,300	66,545	54,050

na - Data not available.